

IMPROVING MANAGEMENT AND ORGANIZATION IN FEDERAL NATURAL RESOURCES AND ENVIRONMENTAL FUNCTIONS

Y 4. G 74/9:S. HRG. 104-585

Improving Management and Organizati...

HEARING BEFORE THE COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE ONE HUNDRED FOURTH CONGRESS SECOND SESSION

JUNE 27, 1996

Printed for the use of the Committee on Governmental Affairs

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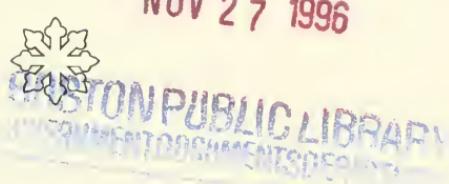
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IMPROVING MANAGEMENT AND ORGANIZATION IN FEDERAL NATURAL RESOURCES AND ENVIRONMENTAL FUNCTIONS

THURSDAY, JUNE 27, 1996

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:10 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Ted Stevens, Chairman of the Committee, presiding.

Present: Senators Stevens and Glenn.

OPENING STATEMENT OF SENATOR STEVENS

Chairman STEVENS. We apologize for the delay caused by the vote on the floor, and we may be called for additional votes.

Today we are going to ask some distinguished experts to share their views on ways to improve the management and organization of the Federal Government's natural resources and environmental functions.

In the last decade, Americans have witnessed enormous change. Businesses and entire industries have restructured to take advantage of new technologies of the information age. They have become leaner, smarter and more agile to improve services to customers and survive the rigors of the marketplace and the changes taking place.

Yet to most Americans, government seems to be stuck in a time warp. The gap between the way customers are treated by the best companies in America and Federal agencies is enormous.

The innovations which have transformed the world have bypassed most of the Federal Government. No sector of the government is more rife with wasteful duplication, fragmentation and undependable service than the agencies that are involved in environmental and natural resources issues.

According to GAO, eight different agencies have missions involving natural resources, and too often, the left hand in one agency has no idea what the right hand in another agency is doing. But citizens are forced to do business with both.

Four agencies—the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service and the Park Service—manage Federal lands for multiple uses. There is growing evidence that this multiple use approach may not be functioning properly.

The Forest Service was created nearly a century ago to perform two basic missions—to manage water flows on public lands and to

provide a continuous supply of timber for domestic production. Since 1960, Congress has added four additional missions—management of recreation, rangelands, wilderness areas, and fish and wildlife populations.

These new missions clearly overlap with those of BLM, the Park Service and the Fish and Wildlife Service. Moreover, it appears that Congress has overloaded the Forest Service with more functions than it can perform effectively. Symptoms of overload include gridlock in decisionmaking, declining levels of timber production, and legions of dissatisfied customers.

In our Committee's field hearings in Alaska last February, citizens and State and local officials expressed anger and frustration about the performance of Federal bureaucracies. Whether a miner filing a patent for a claim, a sawmill owner awaiting delivery of timber, or a municipality expanding airport or water treatment services, the experience was much the same. Customers—and they are customers of the Federal system—are fed up with undependable service, and they are tired of dealing with multiple agencies, with conflicting rules and regulations, and no single authority to get things done.

The idea of customer-friendly, one-stop shopping seems completely foreign to this sector of our government, and that is why we are here today, to start a series of hearings to examine the organization and management practices of those agencies that deal with Federal lands and to see if it is possible to restructure them for the future.

I might add that I suggested to the Appropriations Committee yesterday that they look into the problem of the cost of these duplicated services. Almost half of the \$12 billion we provide to departments goes to land management functions, and they are redundant, as I have mentioned.

We have witnesses that are nationally recognized experts that have been thinking about these problems for many years. Senator Larry Craig will be speaking first. He will be followed by Michael Gryszkowiec of the General Accounting Office, and then Alan Dean of the National Academy of Public Administration, and Professor Robert Nelson of the University of Maryland.

We had other panels scheduled for today, but I made the determination that I do not think, with the voting that is going to go on today, we can take more than two, and I do apologize that we are going to have to leave occasionally for votes.

I hope that you gentlemen, Mr. Dean and Mr. Nelson, will not object to coming forward as a panel. We do welcome your views.

Chairman STEVENS. I will now turn to my colleague from Idaho. I am pleased that he has asked to come before us, and I understand, Senator, you would like your full statement printed in the record, and we will do that and leave up to you what you would like to say orally to us today.

First, I will ask if my colleague Senator Glenn has an opening statement.

OPENING STATEMENT OF SENATOR GLENN

Senator GLENN. Just very briefly, Mr. Chairman.

We are downsizing the Federal Government. We will have reduced the Federal work force by 272,000 positions by the end of this year. In fact, we just passed the 240,000 mark very recently, a few weeks ago. We will have consolidated or eliminated dozens of Federal programs and made significant cuts in others in our effort to reach a balanced budget.

However, we have yet to address restructuring or reorganization issues in a significant way in this downsizing effort as we have downsized each one of these entities. That is why Senator Stevens and I have put forward proposals to create a government commission to establish a restructured Federal Government for the 21st century. I think it is long overdue.

These proposals would be modelled along the lines of the old Hoover Commission, the commission most responsible, I believe, for the current structure of Federal Government.

At today's hearing, we will examine just a few pieces of the larger Federal organizational puzzle. Those pieces of the Federal Government charged with managing our Nation's natural resources.

In an analysis prepared for this Committee last year, GAO noted that the Federal natural resources and environment function is spread across six different Cabinet departments and 18 different agencies. It is a function that is widely scattered across the Federal Government, which is an understatement, to say the least.

Presidents Nixon and Carter recognized this problem a long time ago, and they both proposed reorganizing the Federal Government's natural resources and environment functions and placing them all under a Department of Natural Resources. But neither of those proposals passed the Congress and became law, so here we are, at least 20 years later, and it appears to be there is still considerable merit behind the Department of Natural Resources, although the tendency these days is to knock out departments instead of creating new ones, but maybe this is one where we could consolidate a lot of functions into one new department. So I would like in particular to hear our witnesses views on this idea, and I look forward to their testimony.

Thank you, Mr. Chairman.

Chairman STEVENS. Thank you, Senator.

Senator Craig.

TESTIMONY OF HON. LARRY CRAIG, A U.S. SENATOR FROM THE STATE OF IDAHO

Senator CRAIG. Mr. Chairman, thank you very much; Senator Glenn, thank you.

I am especially pleased that you are tackling this issue, and I say that because I am here to share with you the results and the conclusions of 15 oversight hearings on the management of our forested lands.

In March of 1995, my Subcommittee on Forests and Public Lands Management convened the first extended oversight hearing in this area in 19 years. Mr. Chairman, let me repeat—the first extended oversight hearing in 19 years. That perhaps tells you something about the problem that you and I and Senator Glenn recognize at this moment.

Last January, we concluded that process. I have followed almost every hearing with correspondence back to the chief, summarizing our impressions, so I am here now to give you a review of those.

As a matter of history, the quality of the management of our Federal forests is reflected in the integrity of the resources involved. Over the last several decades, the science of resource management has improved dramatically. Our federally-owned forests are managed under the most advanced scientific principles and the most stringent environmental controls that have been applied to any managed ecosystem in the world.

The return on this investment in scientific management is striking. Many Federal forests, which some view today as pristine ecological preserves, were earlier in this century little more than worn-out farm lots. Species close to extinction at the turn of the century are now flourishing on our forested lands. The national forests provide more recreation opportunities than any other land ownership category in this country. Wood from our national forests made a significant contribution to the American dream of affordable housing for Post-War America. It must still continue to make an important contribution to our national fiber needs today.

Present day conflicts make it easy to forget that our national forests are century-long success stories. But this perspective is essential to retain as we address contemporary problems and to improve on our forest management performance.

After more than 15 hearings, I am convinced that the majority of people—those not vested in a particular resource management outcome—are, after a reasonable opportunity to offer their thoughts, prepared to defer to the judgment and expertise of the Forest Service in resource management decisions. Why? Well, let me share some specific observations.

First, despite current fiscal constraints and controversy, the spirit of Forest Service employees remains surprisingly strong.

Second, the breadth and quality of resource and environmental expertise within the Forest Service is unique among Federal agencies. For example, the Forest Service specialists possess (1) as much or more expertise in endangered species conservation as the U.S. Fish and Wildlife Service, (2) as much or more expertise in managing anadromous fish habitat as the National Marine Fisheries Service, and (3) as much or more expertise in maintaining or restoring water quality in rural, forested watersheds as the Environmental Protection Agency.

We finally began to hear an acknowledgment, albeit grudging, from other Federal agencies that this expertise exists and that the Forest Service could be trusted to use it.

Third, based upon our hearing record, most people still strongly support multiple-use management, despite well-publicized assertions to the contrary. After listening to over 200 witnesses from all quarters, I have come away convinced that we should continue to use our federally-owned forests for a wide variety of purposes as long as these activities do not damage the lands.

I believe that the majority of our populace agrees that we should protect wildlife habitat, allow recreation, permit harvesting of trees, grazing of animals, and the development of minerals on these lands. These activities, if conducted judiciously, can be compatible.

I do not believe that the "zero harvest" or "cattle free" philosophies are as widely supported as either their proponents maintain or as the Clinton Administration suspects. For example, at the Seventh American Forest Conference, with a great diversity of opinion, including a substantial number from the environmental community, there were 1,500 participants, and on a vote of 91 percent to 4 percent, they defeated an extremist proposal to eliminate commercial harvest on public lands.

Unfortunately, most of the developments in contemporary resource policy over the past 15 years, including all of the involvement of this administration, have worked to reduce the Forest Service's responsibility. And that is an area that I think you are most interested in. Dissatisfaction appears to be both profound and universal. No one in over 15 hearings involving more than 200 witnesses offered a defense for the way things are today. In many cases, the Forest Service personnel appear to be the most frustrated.

Some of this dissatisfaction must be laid at our feet for failing to perform anything close to diligent oversight. We have failed to (1) acknowledge and evaluate concerns; (2) educate the public about the validity of various charges and (3) act when they proved valid, or defend the agency when they were not.

I believe the oversight we just concluded is a first step in rectifying this situation. I plan to introduce legislation shortly as the next step. Let me now share with you some of the things that we found wrong with the status quo.

First, I am neither exaggerating nor misrepresenting history when I observe that the Clinton Administration has involved itself in more of the Forest Service's detailed decisions than any other administration, in my opinion, in the history of this country. It is common to see evidence on the Internet of White House staff involved in individual field projects. At our April 18 hearing on the management of the Tongass National Forest, the chief of the Forest Service made the same observation.

Second, other Federal agencies are still exerting a veto authority over Forest Service decisions. This was made clear in testimony and continues, notwithstanding the administration's assertions that it has improved interagency cooperation. Moreover, this interference continues despite the fact that in direct testimony, other agencies acknowledged the Forest Service's superior expertise in a number of areas relative to their interest.

Third, the fear of legal challenge still dominates Forest Service decisionmaking. The agency is far too concerned about the prospect of a legal challenge when it applies professional judgment on the ground to resolve resource conflicts. I am in favor of logging; I am not in favor of "logging without laws," to paraphrase the favorite environmental group slogan of the past year. However, I do believe in resource stewardship with fewer lawyers than currently infect the Forest Service's decisionmaking process.

Fourth, the Forest Service operating costs are increasing at an unacceptable rate. Data provided to us by the agency depict planning and project costs that are ballooning out of control and cannot be sustained. Sustainable resource management cannot be practiced with unsustainable costs. Domestic discretionary spending is

an endangered species. You, Mr. Chairman, will be the Chairman of the Appropriations Committee next year, and that is a reality that we face dramatically.

Fifth, the Forest Service is losing its tie to local communities, and they are suffering as a consequence. I think this is one of the most important findings. The lack of a clear responsibility to take into account their needs has, over time, served to isolate the agency from the local communities that exist within and around Forest Service holdings. If we were to codify the agency's self-imposed "viability rule" standard for evenly distributed populations within a planning area and apply it to humans, many national forests would be in violation of their own laws or standards.

This will undoubtedly sound absurd to many Clinton Administration "scientists," but I start with a very humble premise—people are our most important resource. The foremost measure of the quality of our environment is human health and well-being. A national forest policy cannot be good for the environment if it is bad for the people.

Sixth, the application of science within decisions bound by a system of laws has become increasingly problematic. There is still a great deal of uncertainty in making many resource decisions. This uncertainty is a consequence of a lack of empirical data.

Notwithstanding this lack of information, the laws as drafted and as interpreted by the judiciary often require the Forest Service to go beyond the available data in justifying decisions. This in turn has resulted in the application of scientific judgment that results not necessarily in better decisions, but in more satisfied judges. The Ninth Circuit judges are notoriously "high maintenance" in this regard.

This is one manifestation of Congress' failure to lift the oversight burden. We have allowed the agency to improperly utilize scientists as decisionmakers to cloak difficult policy decisions with the mantle of hard scientific information, and I believe that that is a fact that we cannot ignore. This is an area where additional guidance is needed to free agency decisionmakers to be able to make decisions, adapt management, and then proceed, even where there are inadequate empirical data to close on a specific outcome, but when a decision must be rendered nevertheless.

All of my conclusions are obtained in a June 20 letter transmitted to Secretary Glickman, and I will submit that for your record, Mr. Chairman.

Chairman STEVENS. Yes; we will put it in the record also.
[Letter follows:]

FRANK H. MURKOWSKI Alaska Chairman

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United States Senate

COMMITTEE ON
 ENERGY AND NATURAL RESOURCES
 WASHINGTON, DC 20510-6150

June 20, 1996

The Honorable Dan Glickman
 Secretary
 Department of Agriculture
 12th & Independence Ave, SW
 Washington, D.C. 20250

Dear Secretary Glickman:

As I am sure you know, on January 25 the Senate Energy and Natural Resources Committee concluded its extended series of oversight hearings on the management of our federal forests. At that hearing we received testimony from the General Accounting Office concerning the conflicting federal laws and regulations affecting federal forest management. We also discussed the delay in receiving your promised June 1995 report on this subject -- now a full year past due -- and advised Undersecretary Jim Lyons of our desire to address these issues and others raised during our oversight process.

We urged Undersecretary Lyons to transmit the long-awaited report so that we could evaluate it together. Alternatively, we promised him that we would provide you with a month's advance notice before we moved forward on our own to introduce legislation to address the issues our oversight identified. Our hope in making this commitment was that the Administration would come forward with its own proposals for change. We promised Undersecretary Lyons that, if an Administration proposal is forthcoming, we would introduce it alongside our own so that the public could have two views of the future to evaluate. This is still our hope. In any case, this letter constitutes our notice that we are proceeding.

With this letter, I would also like to share with you some of our findings so that you have some context in which to evaluate what we eventually propose. As you may know, I have followed almost every hearing with correspondence back to the Chief summarizing our impressions from the hearing. Herewith, are some of our conclusions from the letters, augmented through the benefit of: (1) further reflection; (2) consultations with experts in the field over the past few months; and (3) evaluating the results of the 7th American Forest Congress.

I. Notwithstanding Considerable Contemporary Controversy, the Forest Service Remains a Top Performer Among Federal Agencies.

The breadth of contemporary controversy over federal forest management and the cacophony of interest group outcries from all ends of spectrum tend to obscure the simple fact that, much of the time, the Forest Service carries out its duties quite effectively. This was not lost on us, particularly in light of the following findings.

A. Over The Decades, The Quality of Management Employed on Our Federal Forests Has Been Reflected in the Integrity of the Resources Involved.

Since the turn of the century, and particularly over the last several decades, the science of resource management has improved dramatically. Our federally-owned forests are arguably managed under the most advanced scientific principles and the most stringent environmental controls that have been applied to any managed ecosystem in the world.

In an historic context, the return on this investment in scientific management is striking. Many federal forests which some view today as pristine ecological preserves were, earlier in this century, little more than worn-out farm lots. Species of megafauna which were dangerously close to extinction at the turn of the century are now flourishing on our federal forests.

The national forest system provides more recreation opportunities than any other land ownership category in the country. Wood from our national forests made a significant contribution to the American dream of affordable housing for post-war America, and must still continue to make an important contribution to our national fiber needs today.

The heat generated by present-day conflicts over federal forest management makes it easy to forget that our national forests are century-long success stories. But this perspective is essential to retain as we go about the task of addressing contemporary problems and improving on our performance in forest resource management.

B. Despite the Pressures of Downsizing, The Quality of Forest Service Professionals and Their Breadth of Management and Technical Expertise Remain Extraordinary within the Resource Management Agencies.

Notwithstanding the barrage of negative publicity generated by the pleadings of special interests, I remain highly impressed by the commitment of Forest Service professionals of all disciplines and at all levels. Moreover, after more than fifteen hearings on an array of related subjects, I am convinced that the majority of people -- those not vested in a particular resource management outcome -- are, after a reasonable opportunity to offer their thoughts, prepared to defer to the judgement and expertise of the Forest Service in resource management decisions. In this regard, I have reached four specific conclusions from our oversight.

First, budget reductions and downsizing begun in previous Administrations, but accelerated in this one, have left the Agency with significant management problems. Throughout the system there are national forests with critical gaps in resource management expertise and/or personnel shortages. If the Forest Service is, in fact, one of this Administration's "re-invention laboratories," I respectfully suggest we terminate this experiment before the laboratory collapses. I have come away from our oversight convinced that we simply must find a way to provide the Agency with the resources to do the job we want done. I hope you will join me in this search.

Second, despite these current fiscal constraints and various and sundry controversies, the spirit of Forest Service employees remains surprisingly strong. This spirit shone through in much of the testimony received from Agency employees, particularly during field hearings. I believe we must act now to avoid squandering this endangered resource.

Third, the breadth and quality of resource and environmental expertise within the Forest Service, even stressed by budget constraints, is nonetheless unique among related federal agencies. For example, I have come to conclude that the Forest Service's specialists possess: (1) as much or more expertise in endangered species conservation as the U.S. Fish and Wildlife Service; (2) as much or more expertise in managing anadromous fish habitat as the National Marine Fisheries Service; and (3) as much or more expertise in maintaining or restoring water quality in rural, forested watersheds as the Environmental Protection Agency.

Fourth, in response to probative questions, we finally began to hear the acknowledgement, albeit grudging, from other federal agencies that: (1) this expertise exists; and (2) the Forest Service could, in their (single resource focused) view, be trusted to use it. I am not convinced that their actions yet reflect these words, but I was glad to hear them, nonetheless.

C. Despite the Drag Effect of Controversy and Downsizing, the Forest Service Is Still Rising to New Challenges.

Perhaps the most important indication of the Agency's continuing capability that I observed is the ability to rise to new challenges. Let me give you two examples.

First, I am impressed by the Agency's desire to get a bigger resource management picture. I still have some questions about; (1) how we operationalize the information collected and; (2) whether the current broad-scale, eco-region assessments will result in better on-the-ground management. This new approach to information gathering was developed solely as a consequence of Agency initiative. As I discuss later, this is both a strength and a liability.

Second, I have been pleased by the Forest Service's commitment to aggressively implement the provisions of the timber salvage rider in the FY 1995 funding rescissions legislation. The Agency's desire and commitment to get the job done stands in sharp contrast to the dithering and interference of the Clinton Administration. I am dissatisfied, as you know, with the results achieved, but that dissatisfaction has less to do with the Forest Service's

performance in the field, than with your own performance. With all due respect, if the Forest Service does succeed in redeeming your personal commitment to Congress, it will be despite -- not because of -- the "help" provided by the Administration.

D. Most People Still Strongly Support Multiple-Use Management, Despite Well Publicized Assertions to the Contrary.

After listening to over 200 witnesses from all quarters, I have come away convinced that we should continue to use our federally-owned forests for a wide variety of purposes as long as these activities do not damage the lands. I believe that the majority of the populace agrees that we should protect wildlife habitat, allow recreation, permit harvesting of trees, grazing of animals, and development of minerals on these lands, and that these activities -- if conducted judiciously -- can be compatible. I do not believe that the "zero harvest," or "cattle free" philosophies are as widely supported as either their proponents maintain or the Clinton Administration suspects. For example, at the 7th American Forest Congress, the 1500 participants voted 91-4% to defeat an extremist proposal to "eliminate commercial harvest on public lands."

I view the muted public response to the Sierra Club's recent membership vote to ban timber harvesting on the national forests as indicative of this phenomenon. Too many in the Clinton Administration and the media start with the assumption that the Sierra Club speaks for the American people. It does not. If the Administration pursues the widely-rumored timber harvest moratorium, I suspect they will discover this for themselves.

Moreover, I also strongly suspect from what we heard that most people believe that the way to decide the best mix of uses on federal forests lands is to give the Forest Service -- particularly the resource professionals on the ground -- as broad and independent a responsibility as possible to conduct studies, develop comprehensive plans, consult with the public, and then implement the results. Unfortunately, most of the developments in contemporary resource policy over the past 15 years -- including much of the involvement of this Administration -- have worked to reduce the Forest Service's responsibility.

II. Despite All That Is Right with Federal Forest Management, There Is a Sharp Disconnect Between What People Think They Want from the Federal Forests and What They Are Receiving. A Good Part of the Reason Is Congress' Twenty-Year Absence from the Scene.

Obviously, not everything we heard was good news. If so, I would neither be writing to you now, nor drafting legislation. In fact, dissatisfaction with the status quo appears to be both profound and universal. No one in over 15 hearings involving more than 200 witnesses offered a defense for the way things are. In many cases, Forest Service personnel appear among the most frustrated with the present state of affairs.

I believe that a good part of the dissatisfaction must be laid at the feet of Congress for

failing to perform anything close to a diligent oversight function. By shirking this task in past Congresses, we have failed to: (1) acknowledge and evaluate public and interest group concerns; (2) educate the public about the validity of the various charges; and (3) act when they proved valid, or defend the Agency when they were not. I believe the oversight we just concluded is a first step in rectifying this situation. I hope the legislation we will introduce is the next step.

Let me now share with you some of the things that we found wrong with the status quo. This will likely give you some insight into the legislation we are presently drafting.

A. There is Way too Much Interference in the Accomplishment of the Forest Service's Day-to-day, On-the-ground, Resource Management Objectives.

Much of the good work and quality performance that I described above is happening despite the status quo, not because of it. The salutary results of hard work by capable people are being dissipated by interference or redundancy. Let me give you a couple of examples.

First, I do not believe I am either exaggerating or misrepresenting history when I observe that the Clinton Administration has involved itself in more of the Forest Service's detailed decisions than any other Administration in the history of the Agency. The amount of the time that has been spent in briefing and consulting with White House staff, as our hearing testimony has indicated, is extraordinary. It strongly appears that White House staff has been inserted into the Agency's line decision making process.

It is not uncommon to see evidence on the Internet of White House staff involved in individual project activity decisions. At our April 18 hearing on the management of the Tongass National Forest, the Chief made the same observation. And, even though I have a very high regard for Jack Ward Thomas, the decision to appoint him as Chief of the Forest Service through a political decision making process underscores the degree of political involvement at top Administration levels in Forest Service decisions. Had any previous Administration exerted as much overt political control over the Agency, legislative proposals to grant it independent Agency status would certainly have been forthcoming and highly publicized. Now, the rumor running rampant through the country is that Jack had to threaten to resign to block the White House's threatened reassignment of four or more key senior Civil Servants in the Agency's Washington Office. If there is any truth to this latter situation, I would be very troubled.

Second, other Federal agencies are still today attempting to exert a veto authority over Forest Service decisions. This was made quite clear in hearing testimony and continues, notwithstanding the Administration's assertions that it has improved interagency cooperation. Moreover, this interference continues despite the fact that, in direct testimony, representatives of the other agencies acknowledged the Forest Service's superior expertise in a number of areas relative to their interest.

Third, the fear of legal challenge still dominates Forest Service decision making

considerations. The Agency is far too concerned about the prospect of a legal challenge when it applies professional judgement on the ground to resolve resource conflicts. For many years, it was environmental group lawyers whose challenges the Agency feared. Now it is becoming more common that lawyers from user groups are beginning to exert some influence in the Agency's decision making. While there may now be some balancing in this area, this is still not my definition of progress. I am not in favor of "logging without laws," to paraphrase the favorite environmental group slogan of the past year. However, I do believe in resource stewardship with fewer lawyers than currently infect the Forest Service's decision making process.

B. Forest Service Operating Costs Are Increasing at an Unacceptable Rate.

With what I just said about intruding legal processes, it is inevitable that the Forest Service's costs for managing the national forests would escalate at least to some extent. But data provided to us by the Agency during our oversight process depict planning and project costs that are ballooning out of control and cannot be sustained. In the long run, sustainable resource management cannot be practiced at unsustainable costs. However, that is the situation in which we currently find ourselves.

As a back-drop, it should be clear to you that Congress cannot simply keep increasing appropriations levels to deal with this situation. Domestic discretionary spending is an endangered species and will continue to be one for the foreseeable future. We must get a handle on Forest Service costs or we will allow the Forest Service's burgeoning cost structure to dictate resource management decisions.

C. The Forest Service Is Losing its Tie to Local Populations, and Communities Dependent Upon the Forest Service Are Suffering as a Consequence.

The lack of a clear responsibility to take into account the needs of local communities dependent upon Forest Service decisions has, over time, served to isolate the Agency from the local communities that exist within and around Forest Service holdings. The application of more specific responsibilities to meet other objectives has worsened this situation. This is causing a rapidly increasing policy and political problem, particularly in the western United States.

Unfortunately, many in the Clinton Administration seem to believe that this problem is diminishing rather than increasing. They describe the West, in particular, as a rapidly urbanizing region that has different expectations about what it wants from National Forests and public lands generally. While the West may be rapidly urbanizing, the local communities still exist and still retain their dependency on the Forest Service. The Agency's ability to respond to local needs has diminished significantly in recent years. This is a significant problem that must be addressed sooner rather than later before the situation deteriorates further.

Without meaning to be flippant, I will observe that if we were to codify the Agency's self-

imposed "viability rule" standard of evenly disputed populations within the planning area, and apply it to humans, many national forests would be in violation of the law. This will undoubtedly sound absurd to many Clinton Administration "scientists," but I start with a very humble premise -- people are our most important resource. The foremost measure of the quality of our environment is human health and well-being. A national forest policy cannot be good for the environment if it is bad for people.

D. The Application of Science Within Decisions Bound by a System of Laws Has Become Increasingly Problematic.

As I described above, the Forest Service has shown creativity developing new analytical approaches to collecting information to assist in resource decision making. However, there is still a great deal of uncertainty in making many resource decisions. This uncertainty is a consequence of a lack empirical data. Notwithstanding this lack of information, the laws as drafted and as interpreted by the judiciary often require the Forest Service to go beyond the available data in justifying decisions. This, in turn, has resulted in the application of scientific judgement in a way that is designed to result, not necessarily in better decisions, but in more satisfied judges.

In many respects, I believe that this is one manifestation of Congress' failure to lift the oversight burden I have already described. In other instances, it may be the Agency's fault as well in attempting to improperly utilize scientists as decision makers to cloak difficult policy decisions with the mantle of hard scientific information. This is an area where I believe additional guidance is needed to free agency decision makers to be able to make decisions, adapt management, and then proceed -- even where there are inadequate empirical data to close on a specific outcome, but when a decision must be rendered, nonetheless.

E. Most Seriously, the Forest Service Is Abdicating Its Responsibility to Assess the National and International Implications of its Policies and Lead by Example.

Because of the preoccupation with management issues on the National Forest System, I believe the Forest Service is losing the opportunity to lead in the international arena (a role that the Agency is presently attempting to convince Congress to embrace). Specifically, I believe the Resource Planning Act Assessment no longer provides us with a credible analysis of the nation's supply and demand trends for renewable resources. In my view, this is because the Agency has consistently viewed the RPA Assessment through the prism of policy development on the National Forests. Maybe we have asked the Forest Service to do too much. Perhaps we have unfairly asked it to both resolve difficult decisions on its own estate, as well as assess supply and demand trends for all ownerships. The temptation to skew the latter to justify the former would be hard to avoid.

Additionally, I believe the preoccupation with not making difficult policy decisions until all of the information is available deprives the Forest Service of the opportunity to show how

applying what we actually do know can result in better resource decisions. The ability to credibly make this showing is critical to providing leadership to developing countries with even more limited information bases and stressed ecosystems than we possess. This problem needs to be addressed soon because, starting with the post World War II generation of resource managers, the Forest Service has generally led the world in renewable resource management technology and policy development. Now, as we debate whether the lessons we have learned over the last 40 years are still correct, we have left the rest the world -- particularly the developing world -- in limbo. They literally do not know where we will head next and, therefore, do not know whether the approaches that we have developed about how to manage resources in a sustainable fashion are still valid.

These are some of the principal concerns that I have uncovered in the oversight process. Now let me give you some insights as to possible opportunities for change that I believe we should pursue (hopefully together).

III. Several Changes Need to Be Made in Federal Forest Management to Address the Concerns That Our Oversight Process Has Uncovered.

I will not go into great detail since you will shortly see a legislative proposal. I hope to see one from you as well. Nevertheless, let me give you some general ideas of that I think we should jointly pursue.

A. Multiple Use Principles of Sustained Yield Management Should Be Reaffirmed.

As indicated above, I believe the principles of multiple-use, sustained-yield management still resonate with the vast majority of people in the country. This is true even though at least some Forest Service employees have become skeptical about the validity of these principles as a consequence of special interest pleadings. I think that we can improve upon these principles by conveying a wider responsibility to the world to both manage our own resources under this philosophy, as well as explain it in terms that are more broadly relevant, particularly to the developing world. I would like to solicit your help in updating the multiple-use, sustained philosophy to accomplish these ends.

B. There Remains a Considerable Problem in Empiricizing and Rationalizing Multiple Use Management to Achieve On-the-Ground Results.

Through the decade of the 1970's, we focused on empiricizing the multiple use philosophy in comprehensive land management planning. The Agency focussed on a linear programming model for planning that emphasized the planning "process," with perhaps too little concentration on whether realistic on-the-ground results could be achieved.

Similarly, Congress fudged on the issue of how these new land management planning statutes were related and conformed with the single purpose environmental laws that were also

being written at the time. Therefore, as our oversight demonstrated, these statutes do not fit well together.

Consequently, I believe we have to recommit ourselves to reviewing how we can make sure that land management plans, once developed, can actually be implemented. I believe the public is demanding balance in federal land management. But they are also demanding results from our deliberations and for their investments. These results are what I suggest we must develop new statutory mechanisms to achieve.

C. To Achieve On-the-Ground Results the Forest Service Should Be Provided Broad Independent Authority to Implement its Land Management Plans.

I believe that, once developed in accordance with procedures that we specify, the plans should govern what actually happens on the ground. Thus, I suggest we need to provide the Agency with mechanisms to assure that the plans can be implemented and that other agencies back off and allow Forest Service interdisciplinary teams to manage. I do not believe that it is any longer appropriate or useful for other agencies (with perhaps less expertise) to second-guess Forest Service implementation decisions. This is particularly true when those other agencies have helped develop a plan in the first place.

I believe legal challenges should be similarly circumscribed. Everyone should have one bite of the apple, but no one should be allowed to consume the apple solely as a consequence of their better mastery of arcane and/or redundant administrative or legal processes.

D. Together We must Squarely Address the Question of Whether We Can Muster Adequate Funds to Foster Multiple-Use, Yield Sustained Management.

Perhaps the most important question facing us is -- even if we can satisfy the current concerns and rectify the present problems with the current system -- where will the money come from to achieve good land stewardship? I will propose a number of initiatives to bring greater efficiency, creativity, and a sense of ownership in how the Forest Service utilizes its authorities. I will also propose mechanisms to direct the revenues that are generated through Agency management programs to reinvest in land stewardship.

And while we are talking about appropriations, let me address the issue of authorizing legislation on appropriations bills. This has come under considerable degree of scrutiny of late, but it is not a new phenomenon. We have spent at least the last fifteen years authorizing on appropriations bills. While I prefer the results of the last 1.5 of those fifteen years, I am sympathetic to the proposition that authorizing changes should be considered on their own without the rocket booster that appropriations bills provide. I am willing to commit to resisting any and all appropriations riders in the future if, together, we can work on authorizing legislation to address some of the fundamental problems that we presently face.

E. In Federal Land Management We must Be More Responsive to State and Local Concerns.

We must find a way to make the Forest Service more responsive to state and local concerns. If, indeed, the West is changing as dramatically as many suggest, this may mean making the Forest Service responsive to a different and more urbanized West. If this is the case, then we must change the Forest Service along with the states and communities in which it operates. Whatever the evolution of these locales, the Forest Service must have a closer tie to the local people in areas most closely affected by its decisions.

F. We Need to Take a Close Look at How State Forest Management Agencies Are Performing to Evaluate the Lessons That Can Be Learned.

I am not in favor of either privatization or wholesale transfer of federal forest lands. At the same time, our oversight did highlight the new developments and initiatives that state forest management agencies have pioneered. This is not to say the Forest Service has regressed in skill. Rather, the states have caught up, and in some cases surpassed the Forest Service. We need to find a way to evaluate what the states are doing and provide an opportunity for them to suggest where they can more effectively manage forest lands that we currently have under federal management, subject to our review and approval.

These are some of the ideas that we are contemplating. There will be others as we complete drafting the legislation. I hope to hear still others from you if the Administration chooses to send us a proposal.

Also, I would like to hear other ideas from Forest Service employees. I urge you to put this letter on the Data General and circulate it to all Agency employees with the suggestion that they write if they have additional thoughts or ideas.

In any case, thirty days or so from now we will introduce legislation. We hope that we can introduce a bill that represents your thoughts as well. In any case, we will proceed.

I look forward to working with you in this endeavor.

Sincerely,



Larry E. Craig

Chairman

Subcommittee on Forests and Public Land Management

Senator CRAIG. Now let me give you some brief insight as to the possible opportunities for change that I am going to pursue, and I would be more than happy to work with this Committee in a cooperative effort.

First, multiple use principles of sustained yield management must be reaffirmed. The principles of multiple use, sustained yield management still resonate with the vast majority of the people of our country. This is true even though at least some Forest Service employees have become skeptical about the validity of these principles as a consequence of special interest pleadings.

Second, we still cannot empiricize or rationalize multiple use management to achieve on-the-ground results. Through the 1970's, we focused on empiricizing the multiple use philosophy in comprehensive land management plans. The agency focused on a linear programming model for planning that emphasized the planning "process," with too little concentration on whether realistic, on-the-ground results could be achieved.

Moreover, Congress "fudged" on the issue of how these new land management planning statutes are related and conformed with the single-purpose environmental laws that were also being written at the same time. That is called "piling on," Mr. Chairman, and we have seen a great deal of that, and the Forest Service, BLM, other resource management agencies suffer from it today. These statutes do not fit well together, and that became very evident in our hearings. Consequently, we have to recommit ourselves to reviewing how we can make sure the land management plans, once developed, can actually be implemented. We have spent more money in the last three decades planning and trying to resolve this issue, with comprehensive plans that all could understand, only to have them be nearly impossible to implement.

Third, to achieve on-the-ground results, the Forest Service should be provided broad, independent authority to implement its land management plans. Once developed in accordance with procedures that we specify, the plans should govern what actually happens on the ground. We need to provide the agency with mechanisms to assure that the plans can be implemented and that other agencies back off and allow Forest Service interdisciplinary teams to manage; and of course, that just is not happening today.

Fourth, we must together squarely address the question of whether we can muster adequate funds to foster multiple use, yield-sustained management. I will propose a number of initiatives to bring greater efficiency, creativity, and a sense of ownership in how the Forest Service utilizes its authorities. I will also propose mechanisms to direct the revenues that are generated through agency management programs to reinvest in land stewardship.

Fifth, Federal land management must be more responsive to State and local concerns. However the West changes, the Forest Service must have a closer tie to the local people in areas most closely affected by its decisions. What am I saying, Mr. Chairman? I am saying that Washington cannot define or interpret how the West changes; only the West can do that. We should be reflective of those changes by the flexibility we offer the agencies.

Sixth, we need to take advantage of the superior performance of State forest management agencies. We have State agencies today

that are outperforming the Forest Service at nearly every level. Why? Because they have the flexibility to operate independently but, of course, with citizen review.

I am not in favor of either privatizing or wholesale transfer of Federal forested lands. At the same time, our oversight did highlight the new developments and initiatives of State forest management agencies and the work they have pioneered. We need to find a way to evaluate what States are doing and provide an opportunity for them to suggest where they can more effectively manage Federal lands, subject to our review and approval. Perhaps we can identify pilot projects in a variety of areas.

Finally, I have already cosponsored S. 1151, a bill to establish a commission to evaluate restructuring our Federal resource agencies. You and Senator Glenn just spoke of a similar effort to look at an overall, government-wide restructuring. I remain interested in this subject, but I believe form must follow function. It is very important, and I repeat that: I think that form must follow function. Thus, our immediate priority has been to evaluate and clarify the functions we want our forested lands to be served from.

I would be happy to respond to any of your questions, Mr. Chairman.

Chairman STEVENS. Well, we welcome your offer to work with the Committee. We are not looking at the laws pertaining to the authority of the agencies. What we are looking at is whether it is possible to find a way to save in the period ahead by coordinating management and eliminating the conflicts between agencies. I know of one instance where one of the agencies in my State defended what they were doing because they were afraid that another agency would protest their environmental impact statement and literally take them to court if they did not take the action, sort of preventive action, in order to avoid that.

You see the chart there. We are now dealing with, as far as the allocation of funds, over \$30 billion annually to manage Federal lands and resources, and the redundancy factor is increasing, and that is why we are going to listen to the GAO today.

I think my colleague from Ohio will reflect that it is not a political problem we are trying to deal with; we are trying to deal with a structural problem and to alert the Congress to the necessity to take the action that we have already suggested, and that is to have some independent commission look at this structure and try to give us a better structure for the executive branch for the next century. I do not know whether we can get to that, but we certainly welcome your assistance in trying to do it.

Senator CRAIG. Mr. Chairman, the structural problem today creates the political problem today in large part, and the conflicts that result in political problems. The costs you are talking about are fascinating. I have looked at your witness list today, and you are going to hear from some witnesses who could make some very fascinating findings or observations for you. We have had similar witnesses, and several are the same.

One of those observations, with the 190-plus million acres of Federal forested land, is that there are 153 million acres of trust lands in our country managed by the States. In the examination of those trust lands—and those are all natural resources lands—they are

mining lands, timber lands, grazing lands, recreational properties, all of them wildlife habitat—in almost every instance, they met or nearly met all of our national environmental standards, and in some instances were in much better environmental shape than our Federal lands. In all instances—in all instances—those lands were managed for two-thirds less money than our Federal lands—a significant statement. And in all instances, nearly ever acre of those lands was returning a profit to the State agencies.

Now, of course, many will say, well, but we have different intent and different purposes for our Federal lands. The only thing that criticizes that or knocks that argument down is that on examination, these lands are being managed extremely well in an environmentally sound way, with areas dedicated for wildlife habitat, all of them concerned about water quality and air quality, and all of those kinds of issues that we are concerned about.

But there is a different style of management. They do not have the largesse, the States, to play games with money, and I am blunt when I say that. We have over the years done those kinds of things, with no real consideration of return on investment. They have, and as a result, they are getting it, and they are still meeting, in nearly all instances, the environmental tests that we would expect of our lands, the Federal lands. And that is why I brought it into my testimony. I think we are missing a real opportunity. It used to be that we handed down the expertise to the States, but my guess today is that because of their autonomy and their ability to do things beyond what our laws restrict us from doing, we could go to them for expertise today and find out they are doing many things better than we are.

Chairman STEVENS. Thank you.

Senator Glenn.

Senator GLENN. Mr. Chairman, just a couple of comments. You have done a lot of good work and have had many good hearings on this subject, and I do want us to work together on it. I think many of the things Senator Craig hit on are policy items as opposed to structural and how we administer policy, as the Chairman mentioned just a moment ago.

I guess I was a little bit surprised at your emphasis on the Clinton Administration—you mentioned Clinton many times in your statement. I have had hearings on this reorganization issue going back through the Bush years and the Reagan years, and you mentioned later on what has developed over the last three decades. I know it is an election year, but I think to lay a lot of this at the Clinton doorstep may be a good political statement, but I do not think it is a good factual statement of what caused all of the problems with these agencies, and I say that very frankly.

Some of the things you mentioned, like Clinton being more involved in detail—well, maybe it is time we got into detail and got some legislation out of the administration here to correct this problem, if we cannot fix it here, on how we reorganize some of these agencies and departments.

I think to just say give the Forest Service management authority, and everybody else back off, is very simplistic, for this reason—we passed the law. Bring it back to our doorstep here in Congress. We are the ones who passed the laws that gave authority to all the

different units of government, and we are the ones who have six departments and 18 agencies of government administering all different kinds of things, whether grazing or mining or Federal land use—all of these different things that you are complaining about; and I agree; I share your complaints. I back up everything you said, and we can give more examples than you gave this morning, and if we had more time, I would be happy to give them.

But I think the answer to this is not to try to lay it politically at the Clinton doorstep, where I do not think it belongs, because I can go back and point out exactly the same things going on in the Bush administration, the Reagan administration, and right on back.

So what we have got to concentrate on here is that 30 percent of the land of this whole country is Federal land—almost one-third of this whole country has something to do with these six departments and 18 agencies and the resources on those lands and how they are managed. So I think what we are looking for is a way to get these functions reorganized on sounder structural footing so we can cut out all the overlap and cut out the wasted budget stuff and so on, as the Chairman said. I think where we can be the most productive is working in those particular areas.

I do not want to get into a big political discussion here this morning, but I just wanted to counterbalance what you said with my own view of this.

Thank you.

Senator CRAIG. Senator Glenn, my testimony was not intended to provoke a political argument at all, and if you feel you must counterbalance, of course; so be it. My concern is this—and I believe it is a result of the very frustration we are all dealing with—I believe that when this administration folds its tent and leaves town in a year or in 5 years, that we will go back and track and find out that the White House, not the agency responsible, got directly involved in more decisionmaking that resulted in on-the-ground activity or lack of activity than nearly any other administration, including—

Senator GLENN. Well, we can—

Senator CRAIG [continuing]. Wait, let me finish if I could—

Senator GLENN. We can sure debate that one, because I can give you chapter and verse in Ohio on things where the Bush administration and the Reagan administration were just way off-base, I thought, at the time—and I do not want to get into a big political argument here.

Senator CRAIG. But my point is this—take Bush and Reagan and Clinton out of it—our failure, the one you mentioned, that has resulted in this huge conflict on the ground, whether it is in my State of Idaho or your State of Ohio. When a Federal agency is second- and third- and fourth-guessed by other agencies with threats of lawsuit, they cannot make decisions that work, even though they have all the expertise. That it becomes political, and you get into a political tug-of-war.

We sat idly by and let the Forest Service become involved in more lawsuits, be tied up more in the courts, take their people out of the field and put them into the office. They spend more time shuffling paper to try to avoid a lawsuit than they do trying to solve the problem that creates that lawsuit. That is our fault.

Senator GLENN. What they are trying to do—they have something in law that the lawsuit is filed over, and that started here in the Congress.

Senator CRAIG. I just said that.

Senator GLENN. We are the ones who set up the departments and the agencies; we are the ones who set up all that bureaucracy; we are the ones who set up the structure that permits the abuses you are talking about.

Senator CRAIG. But we have refused to do anything about it, Senator.

Senator GLENN. That is the fault of the Congress.

Senator CRAIG. Yes, that is right.

Senator GLENN. So it is not the Clinton Administration; it is the Congress that should come back and straighten the problem out with a new organization, I think, which is exactly what the Chairman is talking about.

Senator CRAIG. Let me conclude, because I know you have other witnesses. I support you in your effort. I believe that organization is important. But if we do not look at overlapping laws, an organization, no matter how it is created, will be just as bound up. When you give EPA and U.S. Fish and Wildlife Service and National Marine Fisheries Service authority to cancel decisions the Forest Service makes on the ground—and I will be blunt in saying this—when the EPA has the right to determine which tree ought to be cut in the State of Alaska or in the State of Idaho over the Forest Service, I do not care what your structure is, Senator—it is not going to work.

Senator GLENN. Yes, but the Forest Service is carrying out the laws that we passed here. That is the point.

Senator CRAIG. And this year, for the first time, this administration granted the EPA the authority to determine logging in the State of Idaho. Now, that is historic, and that is wrong, and we ought to figure out a way to change it so that we adhere to structure and policy.

Thank you.

Chairman STEVENS. You know, Senator, I am reminded—and I do not do this very often, and I have not had many calls from Presidents; maybe that is why I am reminded of it—but I remember once when President Reagan called me as chairman of the Defense Appropriations Subcommittee and said, "Senator, I hear you are planning to give me two new 747's."

And I said, "No, I am not, Mr. President."

And he said, "Well, aren't you trying to add money to the defense budget to build two new Air Force 1's for me?"

And I said, "No, I am not."

He said, "Well, what is that money you put in that bill? Do not lie to me."

I said, "I am not; you will not be President when the 747's are delivered."

That is our problem. I believe that what we are doing will not affect the next Presidency; it will not really be carried out until after the turn of the century. But the urgency is there to try to find some way to eliminate this cost that is involved, the redundancy of these programs, and to get back to where these lands are man-

aged with some reference to the people in the area, but basically so the taxpayers of the country can afford it. Otherwise—you are right—the first things we will have to cut will be the programs you are looking at, because as we get into the period ahead, we are going to have to cut and cut and cut if we want to get to a balanced budget. We are trying to get ahead of the game, and I hope we can. And by the way, the 707s that the Presidents used to have are not flying anymore, so I just want you to know you have got to look over the horizon in anything you do, and we are trying to do that. The commission we want to form will not really have an impact on the next Presidency. So I hope we can get to that point.

I appreciate you coming, my friend.

Senator CRAIG. Thank you both very much.

Senator GLENN. Thank you.

Chairman STEVENS. Now, we are going to turn to the first panel. Michael Gryszkowiec is Director of Planning and Reporting Resources, Community and Economic Development Division, at the U.S. General Accounting Office, and he has with him Charles Cotton, Assistant Director for Energy Resources and Science Issues; Chester Joy, the Senior Evaluator, Energy, Resources and Science Issues; and Susan Irving, Associate Director for Budget Issues—all, I take it, from the GAO; is that right, Mr. Gryszkowiec?

Mr. GRYSKOWIEC. Yes, Senator.

Chairman STEVENS. We welcome your participation and look forward to your statement and the assistance of your colleagues who have joined you.

TESTIMONY OF MICHAEL GRYSKOWIEC, DIRECTOR OF PLANNING AND REPORTING RESOURCES, COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE; ACCCOMPANIED BY CHARLES S. COTTON, ASSISTANT DIRECTOR, ENERGY, RESOURCES AND SCIENCE ISSUES, RESOURCES, COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION; CHESTER JOY, SENIOR EVALUATOR, ENERGY, RESOURCES AND SCIENCE ISSUES, RESOURCES, COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION, AND SUSAN IRVING, ASSOCIATE DIRECTOR, BUDGET ISSUES, ACCOUNTING INFORMATION MANAGEMENT DIVISION.

Mr. GRYSKOWIEC. Mr. Chairman, Senator Glenn, first of all, I would like to thank you for inviting us. I would like to very briefly summarize my statement and ask that my complete statement be submitted for the record.

Chairman STEVENS. We shall print it in full, and we normally say there is a time limit, but we are not putting any time limit on you; we want to know your views and the views of your colleagues, and we cut down the agenda today so we could give you the time that you need. So please do not feel that you have to abbreviate it; we want to hear from you.

Mr. GRYSKOWIEC. I think we can provide a lot of information through an exchange of questions; I think that that might really focus on what you would like to hear from us.

Chairman STEVENS. Thank you.

Mr. GRYSKOWIEC. Just as a little background—and I can see from the chart you have there that last year, we testified before

this Committee, and we stated that our analysis of spending patterns at sub-department and sub-function levels indicated overlap of mission functions within the natural resources and environmental mission areas.

We discussed how agencies carried out areas of mutual responsibility. However, we cautioned that this work was just indicative, that it was not conclusive, and that a lot more work was necessary.

Chairman STEVENS. Pull the microphone a little closer, Mr. Gryszkowiec. I see people in the back trying to hear you.

Mr. GRYSZKOWIEC. What we were trying to say when we presented the information was that this indicated potential overlap of responsibilities and duties, but it was not conclusive that there was duplication. A lot more work was necessary, and a lot more information needs to be gathered before you could arrive at a finding of duplication.

My observations today provide information on the mission of the four major land management agencies, and I would also like to discuss some principles that the GAO has developed that we feel are important to be considered when you are thinking about reorganizing or streamlining government.

Our work to date suggests, in summary, two things. First, the responsibilities of the four major Federal land management agencies have grown more similar over time, and managing Federal lands, has become very complex. As a result, now is a good time to review the current approach to Federal land management with an eye to improving its efficiency and effectiveness.

Second, however, before any effort to improve Federal land management can really be implemented, there has to be a solid consensus for change. If we look at past proposals for reorganizing or streamlining, they have not worked out because we did not have this consensus for change. And it is not going to be easy to get a consensus for change, but without it, very little progress can be made.

Also, before you can move toward a consensus for change, you have to have identifiable, measurable goals—what is it that you want to achieve. And again, following up on what Senator Craig said, form follows function; we believe that. You have to know what it is that you want to achieve before you start talking about reorganizing or moving organizations.

Let me start by briefly touching on the changes and developments under which Federal land management agencies currently operate. There is no question that managing Federal lands has become complex. Managers have to reconcile differences among a growing number of laws and regulations, and the authority for these laws is dispersed among different Federal, State and local agencies.

For example, the Forest Service's organic legislation, the Organic Administration Act of 1897, basically refers to only two prime responsibilities—water flows and timber supply. However, the Multiple Use-Sustained Yield Act of 1960 added new responsibilities such as recreation, range, and fish and wildlife and required the agency to manage its lands so as to sustain all of them for the long term.

The National Forest Management Act of 1976 went on and added wilderness as a use for the forests and modified the Forest Service's mandate for fish and wildlife and required the maintenance of diverse plant and animal communities.

In addition, all four land management agencies must comply with the requirements of various environmental statutes including the National Environmental Policy Act, the Endangered Species Act, the Clean Water Act, the Clean Air Act, as well as numerous other laws and regulations. The Forest Service alone is subject to 212 different laws affecting its activities and programs.

Some Forest Service officials are concerned about the workability of the agency's current statutory framework and believe that it is difficult to reconcile differences among laws and regulations. Reconciling differences among laws and regulations is further complicated by the dispersal of authority for these laws among several Federal agencies including the Fish and Wildlife Service, Commerce's National Marine Fisheries Service, EPA, and the Corps of Engineers, as well as State and local agencies. Disagreements among the agencies on whether and how environmental requirements can best be met sometimes delay projects and activities.

As new legislation has been passed which impacts on the management of the public lands and their responsibilities, these agencies have grown more similar over time. Most notably, the Forest Service and the Bureau of Land Management are now providing increasingly more noncommodity uses such as recreation and protection for fish and wildlife on their lands than ever before.

According to the Forest Service, several other factors have required the agency to assume increased responsibility for noncommodity uses, especially for biological diversity and recreation. These factors include growing demand for noncommodity uses on Forest Service lands and activities occurring outside the national forests, such as timber harvesting on State, industrial and private lands.

These changes have coincided with two other developments—the Federal Government's increased emphasis on downsizing and budgetary constraints and scientists' increased understanding of the importance and functioning of natural systems whose boundaries may not be consistent with existing jurisdictional and administrative boundaries.

While these changes and developments suggest the basis for reviewing the current approach to Federal land management, past efforts to streamline or reorganize Federal land management have not resulted in any significant legislation. Past efforts to improve Federal land management have not succeeded in part because they were not supported by a solid consensus for change.

In addition, any effort to streamline or reorganize the existing structure of Federal land management will require a coordinated approach within and across agency lines to avoid creating new, unintended consequences for the future.

Moreover, the need to create specific identifiable goals will require decisionmakers to agree on how to balance different objectives for various uses on Federal lands over the short and long term. This will not be easy.

For example, the Forest Service has experienced increased difficulty in reconciling conflicts among competing uses on its lands, and demands for forest uses will likely increase substantially in the future. Some Forest Service officials believe that the laws governing the agency's missions provide little guidance for resolving these conflicts. As a result, they have suggested that the Congress needs to provide greater guidance on how the agency is to balance competing uses and ensure their sustainability.

Some Forest Service officials, including the chief, believe that a commission similar to the Public Land Law Review Commission may need to be established if Federal land management is to be improved.

In summary, Mr. Chairman, the responsibilities of the four major Federal land management agencies have become more similar, and the management of Federal lands more complex over time. These changes, as well as budgetary and ecological considerations, suggest the need to reexamine the current approach to Federal land management with an eye to improving its efficiency and effectiveness.

It is clear, however, that any effort to improve Federal land management will require, among other things, a solid consensus for change and the creation of specific, identifiable goals for managing commodity and noncommodity uses.

This concludes my short statement, and we will be pleased to answer any questions that you may have.

[The prepared statement of Mr. Gryszkowiec follows:]

GAO**United States General Accounting Office****Testimony****Before the Committee on Governmental Affairs,
United States Senate**

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**FEDERAL LAND
MANAGEMENT****Streamlining and
Reorganization Issues**

Michael Gryszkowiec,
Director of Planning and Reporting,
Resources, Community, and Economic
Development Division



Mr. Chairman and Members of the Committee:

We are pleased to be here to discuss ways to improve the management of federal lands. My observations today are based primarily on products that we have issued over the last several years on the activities and programs of the four major federal land management agencies--the National Park Service, the Bureau of Land Management, and the Fish and Wildlife Service within the Department of the Interior and the Forest Service within the Department of Agriculture.

The federal government owns about 30 percent (about 650 million acres) of the nation's total surface area. The four major federal land management agencies manage about 95 percent of these lands for a variety of commodity uses--including hardrock mining, livestock forage, oil and gas exploration and development, and timber harvesting--and noncommodity uses--including fish and wildlife; natural, scenic, cultural, and historic resources; recreation; water; and wilderness.¹

In summary, Mr. Chairman, our work to date suggests the following:

-- The responsibilities of the four major federal land management agencies have grown more similar over time. Most notably, the Forest Service and the Bureau of Land Management now provide more noncommodity uses, including recreation and protection for fish and wildlife, on their lands. In addition, managing federal lands has become more complex. Managers have to reconcile differences among a growing number of laws and regulations, and the authority for these laws is dispersed among several federal agencies

¹Land Ownership: Information on the Acreage, Management, and Use of Federal and Other Lands (GAO/RCED-96-40, Mar. 13, 1996).

and state and local agencies. These changes have coincided with two other developments--the federal government's increased emphasis on downsizing and budgetary constraint and scientists' increased understanding of the importance and functioning of natural systems whose boundaries may not be consistent with existing jurisdictional and administrative boundaries. Together these changes and developments suggest a basis for reexamining the processes and structures under which the federal land management agencies currently operate.

- Over the last 26 years, two basic strategies have been proposed to improve federal land management: (1) streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations and (2) reorganizing the structure by combining agencies. The two strategies are not mutually exclusive and some prior proposals have encompassed both. However, no significant legislation has been enacted on the basis of these proposals.
- Past efforts to improve federal land management have not succeeded, in part because they were not supported by a solid consensus for change. In addition, any effort to streamline or reorganize the existing structure of federal land management will require a coordinated approach within and across agency lines to avoid creating new unintended consequences for the future. Moreover, the need to create specific, identifiable goals will require decisionmakers to agree on, among other issues, how to balance differing objectives for various uses on federal lands over the short and long term.

BACKGROUND

Each of the four major federal land management agencies manages its lands and the resources they contain on the basis of its legislatively mandated responsibilities. In general, the Fish and Wildlife Service and the National Park Service manage their lands primarily for noncommodity uses. The Fish and Wildlife Service manages its lands primarily to conserve and protect fish and wildlife and their habitat, although other uses--such as recreation (including hunting and fishing), mining and mineral leasing, livestock grazing, and timber harvesting--are allowed when they are compatible with the primary purposes for which the lands are managed. The National Park Service manages its lands to conserve, preserve, protect, and interpret the nation's natural, cultural, and historic resources for the enjoyment and recreation of current and future generations.

Conversely, the Forest Service and the Bureau of Land Management are legislatively mandated to manage their lands for both commodity and noncommodity uses. For example, the Forest Service's organic legislation--the Organic Administration Act of 1897--refers to water flows and timber supply. The Multiple Use-Sustained Yield Act of 1960 added responsibilities for recreation, range, and fish and wildlife and required the agency to manage its lands so as to sustain all of these uses. The National Forest Management Act of 1976 (1) recognized wilderness as a use of the forests and (2) modified the Forest Service's mandate for fish and wildlife to require the maintenance of diverse plant and animal communities (biological diversity). Similarly, the Federal Land Policy Management Act of 1976 requires the Bureau of Land Management to manage its lands for multiple uses and sustained yield. The act defines multiple uses to include recreation; range; timber; minerals; watershed; fish and wildlife and their habitat; and natural, scenic, scientific, and historic values.

Both the Forest Service and the Bureau of Land Management have legislatively based incentives for producing resource commodities. For example, the Forest Service receives some of its operating funds from the receipts of timber sales under the Knutson-Vandenberg Act of 1930, which authorizes the national forests to retain a portion of their timber sale receipts to help fund reforestation and other activities as well as regional office and headquarters expenses. Under the Taylor Grazing Act of 1934, the Bureau of Land Management may issue permits for the use of rangelands only to persons engaged in the business of livestock grazing. The permits may not be issued for other uses, such as to provide habitat for fish and wildlife. As a result, the Forest Service and the Bureau of Land Management have managed their lands to a great extent for commodity uses, such as timber harvesting, livestock grazing, and mineral production.

In addition, all four agencies must comply with the requirements of the National Environmental Policy Act (NEPA). NEPA and its implementing regulations specify the procedures for integrating environmental considerations into the agencies' management of lands and resources. In managing their lands and resources, the agencies must also comply with the requirements of other environmental statutes, including the Endangered Species Act, the Clean Water Act, and the Clean Air Act, as well as numerous other laws and regulations. The Forest Service alone is subject to 212 laws affecting its activities and programs. Authority for implementing and enforcing these laws is dispersed among several federal agencies, including the Fish and Wildlife Service, the Department of Commerce's National Marine Fisheries Service, the Environmental Protection Agency (EPA), and the U.S. Army Corps of Engineers, as well as state and local agencies.

BASIS FOR REEXAMINING FEDERAL PROCESSES AND STRUCTURES

Several changes and developments suggest a basis for reviewing

the current approach to federal land management with an eye to improving its efficiency and effectiveness. These changes and developments include the increased similarity in the responsibilities and the increased complexity in the management of federal lands, together with budgetary and ecological considerations.

Similarities in Responsibilities

Over time, the responsibilities of the four major federal land management agencies have grown more similar. Specifically, the Forest Service and the Bureau of Land Management now provide more noncommodity uses on their lands. For instance, in 1964, less than 3 percent (16 million acres) of their lands were managed for conservation--as wilderness, wild and scenic rivers, and recreation. By 1994, this figure had increased to about 24 percent (over 108 million acres).²

According to Forest Service officials, several factors have required the agency to assume increased responsibilities for noncommodity uses, especially for biological diversity and recreation. These factors include (1) the interaction of legislation, regulation, case law, and administrative direction, (2) growing demands for noncommodity uses on Forest Service lands, and (3) activities occurring outside the national forests, such as timber harvesting on state, industrial, and private lands.

With this shift in its responsibilities, the Forest Service is less able to meet the demands for commodity uses on its lands, especially for timber harvesting. For example, 77 percent of the 24.5 million acres of Forest Service and Bureau of Land Management lands in western Washington State, Oregon, and California that were available for commercial timber harvesting have been set aside or

²See footnote 1.

withdrawn primarily for noncommodity uses. In addition, although the remaining 5.5 million acres, or 22 percent, are available for regulated harvesting, the minimum requirements for maintaining biological diversity and water quality may limit the timing, location, and amount of harvesting that can occur. Moreover, harvests from these lands could be further reduced by plans to protect threatened and endangered salmon. The volume of timber sold from Forest Service lands in the three states declined from 4.3 billion board feet in 1989 to 0.9 billion board feet in 1994, a decrease of about 80 percent.³

While our work at the Bureau of Land Management has been more limited, this agency is also assuming increased responsibilities for noncommodity uses. This shift in responsibilities of the Forest Service and the Bureau of Land Management to more noncommodity uses has contributed to what is sometimes referred to as a "blurring of the lines" among the four major federal land management agencies.

Complexities Within the Current Statutory Framework

Some Forest Service officials are concerned about the workability of the agency's current statutory framework, which they believe is making the management of the national forests increasingly complex. They believe that it is sometimes difficult to reconcile differences among laws and regulations.⁴

For example, the National Forest Management Act requires the Forest Service to maintain diverse plant and animal communities. One process that nature uses to produce such biological diversity

³Forest Service: Issues Related to Managing National Forests for Multiple Uses (GAO/T-RCED-96-111, Mar. 26, 1996).

⁴Forest Service: Issues Relating to Its Decisionmaking Process (GAO/T-RCED-96-66, Jan. 25, 1996).

is periodic small wildfires that create a variety of habitats. However, until recently, a federal policy required the suppression of all fires on federal lands.⁵ As a result, there has been an accumulation of fuels on the forests' floors. The Forest Service now plans to undertake prescribed burning to restore the forests' health and avoid unnaturally catastrophic fires. However, the minimum standards for air quality required under the Clean Air Act may at times prohibit the Forest Service from achieving this goal by limiting the timing, location, and amount of prescribed burning that can occur.⁶ In addition, the minimum standards for water quality required under the Clean Water Act and the conservation of species listed as endangered or threatened under the Endangered Species Act also can limit the timing, location, and amount of prescribed burning that can occur, since soils from burned areas wash into streams, modifying species' habitats.

Reconciling differences among laws and regulations is further complicated by the dispersal of authority for these laws among several federal agencies and state and local agencies. Disagreements among the agencies on whether or how these requirements can best be met sometimes delay projects and activities. According to officials in the federal land management and regulatory agencies with whom we spoke, these disagreements often stem from differing evaluations of environmental impacts and risks.⁷ For example, in 1995, the Fish and Wildlife Service, the National Marine Fisheries Service, and EPA could not agree with the Forest Service on the extent of risk the Thunderbolt salvage timber sale--on the Boise and Payette national forests in central Idaho--may have to salmon spawning habitat.

⁵Federal Fire Management: Limited Progress in Restarting the Prescribed Fire Program (GAO/RCED-91-42, Dec. 5, 1990).

⁶Forest Health: Overview, Congressional Research Service (95-548 ENR, Apr. 28, 1995).

⁷See footnotes 3 and 4.

Budgetary and Ecological Considerations

The federal government's increased emphasis on downsizing and budgetary constraint demands that federal agencies look beyond existing jurisdictional boundaries to find ways to reduce costs, increase efficiency, and improve service to the public. Such gains could be achieved by refocusing, combining, or eliminating certain functions, systems, programs, activities, or field locations. Joint efforts in planning and budgeting; joint use of administrative, technical, and management systems; and joint stewardship of natural and cultural resources could lead to greater efficiency.⁸

For instance, in 1985 the Forest Service and the Bureau of Land Management proposed to the Congress to merge all field offices located in the same communities in western Oregon, restructure boundaries to achieve the optimum size and balance among land units, and eliminate some managerial and overhead positions. The agencies projected that this proposal would have reduced the number of permanent employees by 280 and would have achieved annual savings of \$10.3 million (in 1985 dollars) once it was fully implemented. The Congress did not act on this "interchange" proposal.⁹

Ecological considerations also suggest that the federal land management agencies rethink their organizational structures and relationships with one another. Scientific research has increased the agencies' understanding of the importance and functioning of natural systems, such as watersheds, airsheds, soils, and

⁸National Park Service: Better Management and Broader Restructuring Efforts Are Needed (GAO/T-RCED-95-101, Feb. 9, 1995).

⁹Forestry Functions: Unresolved Issues Affect Forest Service and BLM Organizations in Western Oregon (GAO/RCED-94-124, May 17, 1994).

vegetative and animal communities, specific components of which (e.g., threatened and endangered species and wetlands) are protected under various environmental statutes. The boundaries of these natural systems are often not consistent with existing, jurisdictional and administrative boundaries. Hence, activities and uses affecting these systems may need to be coordinated and managed across federal land units and agencies.¹⁰ For example, federal efforts to restore the environment of South Florida--including the Everglades and Florida Bay--transcend existing jurisdictional and administrative boundaries and involve numerous federal agencies, including the National Park Service, the Fish and Wildlife Service, the National Marine Fisheries Service, EPA, and the Corps of Engineers.¹¹

STRATEGIES FOR IMPROVING FEDERAL LAND MANAGEMENT

Two basic strategies have been proposed to improve federal land management: (1) streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations and (2) reorganizing the structure by combining agencies. The two strategies are not mutually exclusive, and some prior proposals have encompassed both.

Streamlining the Existing Organizational Structure

In 1983, President Reagan's Private Sector Survey on Cost Control, also known as the Grace Commission, recommended that the Forest Service and the Bureau of Land Management combine administrative functions, eliminate duplicative efforts, and plan a program of jurisdictional land transfers to accomplish these

¹⁰Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/RCED-94-111, Aug. 16, 1994).

¹¹Restoring the Everglades: Public Participation in Federal Efforts (GAO/RCED-96-5, Oct. 24, 1995).

objectives.¹² Similarly, in 1993, the Clinton administration established the Interagency Ecosystem Management Task Force to develop an approach to ensuring a sustainable economy and a sustainable environment. In a November 1995 report, the task force stated that such an approach would entail a shift from the federal government's traditional focus on an individual agency's jurisdiction to a broader focus on the actions of multiple agencies across larger ecological areas. The task force recommended that federal agencies strive for greater flexibility in pursuing their missions within existing legal authorities and develop better information, communication, coordination, and partnerships.¹³ In December 1995, 13 federal departments and agencies, together with the Council on Environmental Quality, signed a memorandum of understanding establishing a network of agency coordinators and pledging to work together in support of such an approach.

On February 1, 1994, and February 9, 1995, we testified that the four major federal land management agencies need to reduce costs, increase efficiency, and improve service to the public, as well as manage activities and uses across existing federal land units and jurisdictions so as to preserve the nation's natural resources and sustain their long-term economic productivity. This approach would require them to look beyond their jurisdictions and work with the Congress and each other to develop a strategy to coordinate and integrate their functions, systems, activities, and programs so that they can operate as a unit at the local level.¹⁴

¹²Report of the President's Private Sector Survey on Cost Control (Washington D.C.: Aug. 1983).

¹³The Ecosystem Approach: Healthy Ecosystems and Sustainable Economies, Volume II - Implementation Issues, Report of the Interagency Ecosystem Management Task Force (Nov. 1995).

¹⁴See footnote 8 and Forest Service Management: Issues to Be Considered in Developing a New Stewardship Strategy (GAO/T-RCED-94-116, Feb. 1, 1994).

Over the last several years, the Forest Service and the Bureau of Land Management have collocated some offices or shared space with other federal agencies. They have also pursued other means of streamlining, sharing resources, and saving rental costs. However, the four major federal land management agencies have not, to date, developed a strategy to coordinate and integrate their functions, systems, activities, and programs.

Reorganizing the Structure of Federal Land Management

Several proposals for improving federal land management would reorganize the existing structure by combining various agencies. For example, in its 1970 report to the President and the Congress, the Public Land Law Review Commission (a bipartisan group established by the Congress in 1964 with members appointed by both the President and the Congress) recommended that the Forest Service be transferred from the Department of Agriculture to the Department of the Interior, which would then be renamed the Department of Natural Resources.¹⁵ Subsequent proposals included additional agencies. For example, in 1971-72, the Nixon administration proposed adding the Corps of Engineers, Agriculture's Soil Conservation Service (now the Natural Resources Conservation Service), and the National Oceanographic and Atmospheric Administration in the Department of Commerce (which includes the National Marine Fisheries Service).¹⁶ Eight years later, the Carter administration made a similar proposal.¹⁷

¹⁵One Third of the Nation's Land: A Report to the President and to the Congress by the Public Land Law Review Commission (Washington D.C.: June 1970).

¹⁶Papers Relating to the President's Departmental Reorganization Program: A Reference Compilation (Washington D.C.: Feb. 1972).

¹⁷President's Reorganization Project: Report on the Reorganization Study of Natural Resource Functions, Office of Management and Budget (Washington D.C.: June 1979).

Some Forest Service officials, including the Chief, believe that a commission similar to the Public Land Law Review Commission may need to be established if federal land management is to be improved. Such a commission would need to conduct a thorough review of federal land management and report its findings to the President and the Congress.

PRINCIPLES TO BE CONSIDERED IN STREAMLINING OR REORGANIZING FEDERAL LAND MANAGEMENT

Despite the commissions, reports, and recommendations over the past 26 years for streamlining or reorganizing federal land management, no significant legislation has been enacted. These efforts have not succeeded, in part, because they have not been supported by a solid consensus for change. For example, the Carter administration estimated that its proposal to create a Department of Natural Resources would result in annual savings of up to \$100 million. However, it did not specify how these savings would be accomplished,¹⁸ and a consensus for change was never achieved.

On May 17, 1995, in testimony before this Committee, the Comptroller General identified five principles to consider during any effort to streamline or reorganize government. These principles are based on past governmental restructuring efforts--both inside and outside the United States.¹⁹

-- Reorganization demands a coordinated approach, within and across agency lines, supported by a solid consensus for change in both the Congress and the administration.

¹⁸The Forest Service and the Bureau of Land Management: History and Analysis of Merger Proposals, Congressional Research Service (95-1117 ENR, Washington D.C.: Nov. 7, 1995).

¹⁹Government Reorganization: Issues and Principles (GAO/T-GGD/AIMD-95-166, May 17, 1995).

- Reorganization should seek to achieve specific, identifiable goals.
- Once goals are defined, attention must be paid to how the federal government exercises its role--both in terms of organization and tools.
- Effective implementation is critical to success.
- Sustained oversight by the Congress is needed to ensure effective implementation.

Because the federal land management agencies have similar responsibilities yet different legislative requirements, any effort to streamline or reorganize them will require a coordinated approach within and across the agencies to avoid creating new, unintended consequences for the future. In particular, potential gains in efficiency need to be balanced against the policy reasons that led to the existing structure. For example, transferring responsibility for environmental compliance from regulatory agencies, such as the Fish and Wildlife Service, EPA, and the Corps of Engineers, to the Forest Service and the Bureau of Land Management may help expedite the implementation of projects and activities. However, any potential gains in efficiency from such a transfer would need to be balanced against the policy reasons that led originally to separating the responsibility for federal land management from the responsibility for regulatory compliance.

Moreover, while there may be a growing consensus for streamlining or reorganizing the existing structure of federal land management, as the Comptroller General noted in his May 17, 1995, testimony, the key to any streamlining or reorganization plan--and the key to building a consensus behind it--is the creation of specific, identifiable goals. Applying this principle to federal land management will require decisionmakers to agree on, among

other issues, how to balance differing objectives for commodity and noncommodity uses over the short and long term.

For example, the Forest Service is experiencing increasing difficulty in reconciling conflicts among competing uses on its lands, and demands for forest uses will likely increase substantially in the future.²⁰ Some Forest Service officials believe that the laws governing the agency's mission provide little guidance for resolving these conflicts.²¹ As a result, they have suggested that the Congress needs to provide greater guidance on how the agency is to balance competing uses and ensure their sustainability. In particular, the Chief of the Forest Service has stated that (1) the maintenance and restoration of noncommodity uses, especially biological diversity, needs to be explicitly accepted or rejected and (2) if accepted, its effects on the availability of commodity uses need to be acknowledged.²²

Once decisionmakers reach a consensus on specific, identifiable goals, the desired results these goals are to accomplish should be made explicit through performance measures. The Congress, in enacting the Government Performance and Results Act of 1993, recognized that to be effective, goals need measures to assess results. Without such measures, the agencies' ability to improve performance and the Congress's ability to conduct effective oversight will be hampered.

Moreover, goals cannot be set and performance measures cannot be defined in a vacuum. Decisionmakers need to consider how the desired goals will be achieved. Our past work on reorganizations

²⁰The Forest Service Program for Forest and Rangeland Resources: A Long-Term Strategic Plan, Draft 1995 RPA Program (Oct. 1995).

²¹See footnote 4.

²²See footnote 3.

has shown that, all too often, the issue of how desired goals are to be achieved is not considered as part of the goal-setting process. Considering such issues as how agencies' structures and processes will need to function to accomplish the goals can benefit the goal-setting process itself. By thinking through the implementation process, decisionmakers are better able to clarify the goals and the results to be achieved and to identify potential pitfalls.

In summary, Mr. Chairman, the responsibilities of the four major federal land management agencies have become more similar and the management of federal lands more complex over time. These changes, as well as budgetary and ecological considerations, suggest a basis for reexamining the current approach to federal land management with an eye to improving its efficiency and effectiveness. Two basic strategies have been proposed to improve federal land management--one would focus primarily on streamlining the existing structure by coordinating and integrating functions, systems, activities, programs, and field locations, while the other would reorganize the structure primarily by combining agencies. Although it is not clear which strategy would be more effective, or whether a combination of the two would be more appropriate, it is clear that the effective implementation of either strategy will require, among other things, a solid consensus for change and the creation of specific, identifiable goals for managing commodity and noncommodity uses.

Mr. Chairman, this concludes my prepared statement. We will be pleased to answer any questions that you or Members of the Committee may have.

(140299)

Chairman STEVENS. Do any of your colleagues have comments they would like to make in addition to yours, Mr. Gryszkowiec.

Mr. GRYSKOWIEC. No, Mr. Chairman.

Chairman STEVENS. All right, thank you.

Let me say at the outset that we welcome your comments. I think we need to really be certain that you can continue along this line. I have seen reports that recommend significant reductions in the GAO, and your current function indicates why we cannot reduce the emphasis on your arm of Congress. So I do hope you will let us know if you start facing reductions that would impinge upon your ability to continue to work with this Committee toward solving this problem of these four redundant agencies in particular. These are four in particular, but how many did you say there are altogether—nine?

Mr. GRYSKOWIEC. There are eight major ones; six departments. A lot of them get involved.

Chairman STEVENS. Now, you have basically been involved with structure and not with the redundancy in the laws themselves; is that correct?

Mr. GRYSKOWIEC. Yes, sir.

Chairman STEVENS. Is there a function in GAO that deals with the redundancy in the laws themselves?

Mr. GRYSKOWIEC. Not specifically, no.

Chairman STEVENS. Mr. Joy, do you disagree?

Mr. JOY. I was just going to say, Senator, that that has been a focus of our more recent work in our evaluation, and Mr. Gryszkowiec is leading the work.

Chairman STEVENS. Well, I really want to try to get into some of these changes. I am aware of the comments that my colleagues just made here, and I am not trying to get to be political, but do you see changes in the way these management agencies have been—let me put it this way—changes in direction, as represented by their annual statements—is the redundancy increasing in this period right now?

Mr. GRYSKOWIEC. I do not know if the redundancy is increasing, but there is no question that the laws that Congress has enacted have put a lot of different requirements on the different agencies, which cause them to do a lot of balancing and juggling of different requirements.

The Forest Service alone handles over 1,100 administrative appeals a year and spends over \$250 million just preparing their project plans to defend against legal actions. There is a lot that these four agencies do, but it is because they feel they are required to do it to implement the laws which they have to follow.

Chairman STEVENS. Did you find any evidence of the fear that was expressed to me, that some of that is done to protect an agency from the other agencies themselves?

Mr. GRYSKOWIEC. I do not know if we found that in our work.

Mr. COTTON. What we have found, Mr. Chairman, is that because of their different missions—for example, the Forest Service, with the multiple use mission, and the Fish and Wildlife Service with, say, an endangered species mission—the Forest Service would be more willing to balance endangered species with its other requirements. The primary concern of the Fish and Wildlife Service

is endangered and threatened species, so they would be less likely to accept a level of risk relating to a project than the Forest Service would. So where the Forest Service would like to proceed with certain cautions or certain actions, the Fish and Wildlife Service with their mandate would come in and say no.

Chairman STEVENS. One of the problems we have is how to get to some of the redundancy, and I guess today we are focusing more on the Forest Service than on others, but have you—let me put it this way. You mentioned in your statement the need for greater congressional oversight. We have had charges—and you heard the Senator from Idaho—that the agencies are going beyond the mandates of existing law and establishing functions that are not authorized or required by law. Have you studied that at all?

Mr. GRYSZKOWIEC. I am not aware that we have found agencies violating or going beyond. I think it is a matter of how vigorous they want to enforce the laws or carry out the laws, which is their prime mission. I am not aware of where we have identified specific violations or going beyond what they are allowed to do.

Chairman STEVENS. Well, have you tried to identify the missions with the basic authorizations that are in the existing laws for the specific agencies involved in land management?

Mr. GRYSZKOWIEC. We have done that on a fragmented basis. Right now, we have an ongoing new job where we are looking at the four prime land management agencies, looking at their functions, at their missions, and we are going to try to do a more comprehensive assessment of exactly what are they doing, where are they doing it, what is the impact, and what is the cost. We are hoping that that would be useful information to further any discussions or actions by the Congress.

Chairman STEVENS. I asked your agency if they could tell me—and as chairman of the defense appropriations committee, I know what it costs for a permanent change of station for the Department of Defense; I know how much it costs to move a family, I know how often they are required to move, I know the consequences of the move in terms of sale of houses and the costs there—Senator Cohen has just addressed that in an amendment to the bill that is on the floor, to try to reduce those costs. But when I asked for these agencies whether we had the ability to say how much it costs for some of these, GAO said they were unable to determine that. Did that request go to you?

Mr. GRYSZKOWIEC. Yes, it did. We were unable to determine how much it cost to carry out certain missions, such as how much it cost to do a timber sale or grazing or recreation and then compare that to the revenues generated. Their accounting systems are currently inadequate to be able to identify what it costs to deliver a specific function or activity or what revenues are associated with that cost or activity.

Chairman STEVENS. That is difficult for me to comprehend, if the Forest Service was created because of the work of Gifford Pinchot to try to establish a yardstick to measure what was happening in the private forest lands; and yet we do not have any real accounting that compares what happens on the public lands to what happens on the non-Federal lands, as I understand it. Is that the situation?

Mr. GRYSZKOWIEC. Currently, we are doing another study where we are looking at the way certain States are carrying out their land management activities to see exactly how are they doing it, how much does it cost, what kinds of systems do they have to track activities so that we would have some baseline to at least compare what the Federal Government is doing with certain State governments.

Chairman STEVENS. You said these agencies are becoming similar. Do you know whether they have similar policies as to rotation of their personnel?

Mr. GRYSZKOWIEC. I am not specifically aware, but I am sure they probably have different policies in terms of internal activities. It is their external missions that are becoming more similar—they get involved in providing recreation activity, or they provide different types of cultural activities. It is the outer missions that are becoming more similar. They continue to have very unique internal procedures and processes, which makes it difficult to really compare and contrast how they carry out different functions or how much it costs.

Chairman STEVENS. I told the Appropriations Committee yesterday about Grant Pearson, who used to be the superintendent of Mount McKinley National Park, who was there 19 years. He had a home in town, and the government provided him a place to stay when he was within the park. But now, the policies of the Park Service require rotation of their superintendent, and the provision of homes within the park where they stay year around. There are some changes here that I am trying to get to in order to determine where the additional costs are coming from.

I was astounded to find the amount of money that is being spent in the areas of these functions, and we do not know what they cost. In addition to that, most of these agencies now have their people in uniform. Do you know when that was started? In days gone by, they were not all in uniform. Even the person who greets you and sells you a ticket as you go into a park or the Forest Service now wears a uniform, provided by us, by the taxpayers, and has a house to live in within the area.

I want to go into it and find out where this redundancy developed and whether it is required by the function. Can you do that?

Mr. GRYSZKOWIEC. I think we could do some of that. I would like to further explore exactly the boundaries of what you would like us to collect—

Chairman STEVENS. Well, we are looking again to what will be the advantages of the consolidation that Senator Glenn and I have been trying to pursue. I believe there ought not to be four monolithic, redundant agencies managing the same resource base for the Federal Government. It is not an argument about what their mission is, and it is not an argument about how they are carrying out their mission. It is an argument about what it costs the taxpayer to do something because of the redundancy and also because of new policies that have developed with regard to changes in those people. They are not allowed to become permanent residents anywhere. Have you found any indication of that as you have done your examination?

Mr. COTTON. Mr. Chairman, we have not looked at their rotation policies or the costs associated with them. One thing we have found, though, is that a lot of the success stories that we have seen on going to the individual forests are based on the trust that has developed over time between the Forest Service employees and the people with whom they work, both in the other Federal agencies like the Fish and Wildlife Service and in the local communities. When you uproot that individual and move him away, so do you move away the trust and the confidence that has been built over time.

Chairman STEVENS. Well, Mr. Gryszkowiec tells us, and I think justifiably so, that we are going to have to have broad-based support for any changes we want to make to consolidate these four traditional management agencies. I think that that is going to have to come from showing the country and particularly the Congress what the costs of the redundancy are and the fact that in many instances, these agencies are counterproductive because of their fear of one another. Now, how that comes about and how we can develop that, I do not know, but I think it is the case.

Do you have any indication how many times any of these agencies have gone to court or into a process of protesting another agency's proposed action?

Mr. COTTON. They do not usually end up in court. It is usually private individuals that take, for instance, the Forest Service to court after they have appealed a certain decision.

As far as the Fish and Wildlife Service and other Federal agencies, they render things like jeopardy opinions on a Forest Service action that in effect closes that action down and requires—

Chairman STEVENS. Basic comments on the environmental impact statements of any one of them come from the other three agencies.

Mr. COTTON. The other three agencies do comment on the environmental impact statements.

Chairman STEVENS. And then, when a non-Federal employee takes them to court, it is because an agency failed to recognize the comments of one of the other three agencies in terms of making its final decision on the environmental issue. I really think the redundancy is fostered by these practices and that we ought to find some way to get to them and make the decisions internally and with lesser cost.

You mentioned something about the cost of litigation, even preparing for litigation.

Mr. GRYSKOWIEC. It is very expensive, and that is why our ongoing job will hopefully collect the information that will let us get started looking at what the four agencies do, what do they achieve by those efforts and how much does it cost. That is what we are going to be trying to do now.

Chairman STEVENS. Can we get to administration—are you going to get into administration? What is the cost of the redundancy of administration—there are four separate administrations there, four separate departments and a whole raft of bureaus involved, and they are overlapping to a great extent, as your testimony indicates.

Now, I think the way to bring about change is to demonstrate the cost of that redundancy and the cost of that overlap. Will you be looking at that?

Mr. GRYSKOWIEC. We will probably be looking at how much it costs for administration, but I am not sure that we would be able to say that it was duplication. We can say the Forest Service spent this much in administrative costs to carry out or manage these things; BLM spent this much to do work in the same areas. Now, is that duplication? At this point, we cannot say that it is duplication, but we can say that they are both involved in grazing, or they are both involved in timber, and they are both involved in certain recreational activities, but they are not cutting down the same tree or doing the same trail repairs. So is it duplication? They are definitely doing the same type of activities.

Now, the tough part will be to decide, what can we streamline, or what can be consolidated? Our work over the years, not just with the land management agencies, has shown that you can save if you can streamline and coordinate better at the administrative level, have common information systems, have common financial information systems, co-locate offices if you can do that. There are a lot of areas where you can save. But there are a lot of things that stand in the way of getting those things accomplished.

Chairman STEVENS. Senator Craig mentioned the study of the non-Federal entities that manage land and how the conclusion of that study was that the cost to the Federal Government was two-thirds more than the cost of those agencies in carrying out the same policies notwithstanding the fact that they were trying to achieve the same environmental goals. Are you familiar with that study he referred to?

Mr. GRYSKOWIEC. I am not.

Mr. COTTON. I am not.

Mr. JOY. No, sir, not that particular study. There have been a number of them on the subject, and that is one of the things that, as Mr. Gryszkowiec said, we will be looking at.

Chairman STEVENS. Well, I think it would be important if you could confer with the Senator and find out what that study was and identify for us the mechanisms that are used by those entities to achieve the same goals at less cost.

Mr. COTTON. Mr. Chairman, could I offer the November testimony by the chairman of the National Association of State Foresters; he said that the difference between the efficiencies that the States have compared to the Feds, in a nutshell, is that the States could likely assume title to Federal forests and do as good a job for less money, provided the State agencies were not encumbered by the overlapping and in many cases conflicting mandates placed upon the Forest Service by current Federal law.

Chairman STEVENS. Are you going to identify those overlaps?

Mr. COTTON. Yes, we are. As part of this Forest Service decision-making job, we are focusing an enormous amount of time and resources on identifying the overlaps and the problems that have been created by this incremental enactment of laws requiring the Forest Service to do many different things and consider many different issues.

Chairman STEVENS. And my last question is what is your timetable on these ongoing studies.

Mr. COTTON. We are going to report to Chairman Craig, Messrs. Murkowski, Thomas, Hanson, Regula and Burns no later than January of next year, so that it is ready for the next Congress.

Chairman STEVENS. Well, I think we would like to request a copy of that when you get to it.

Mr. COTTON. We will be happy to supply that.

Mr. JOY. Chairman Stevens, you should be aware that we are going to be looking at all four agencies, but that one will be primarily focused on the Forest Service first. The reason we chose that is because the Forest Service really in some sense has the broadest range of responsibilities. So if you are looking across all of these functions, that will be the best snapshot and provide a base to which we can connect the other agencies.

Chairman STEVENS. Let me tell you this hearing is taking place because we held a hearing in Appropriations, and the presentation made by the Forest Service indicated that soon after the turn of the century, 2.7 percent of the contribution to the GNP made by the Forest Service would come from timber receipts. Now, the Forest Service was created primarily for timber and also for water management. We have added a lot beyond that.

But my question, then, which was not facetious to the chief was: If only 3 percent of the revenue contribution to the GNP is going to come from timber receipts, why do you call yourself a Forest Service? Why shouldn't we consolidate you with someone else? I really think that that is the problem.

The bulk of their receipts by the year 2000 will come from recreation, not from any forest activity at all, but from the management of recreation on a portion of the Federal lands that happen to be forested.

I think we have got to look at this from the point of view of how do we justify a management system for the Federal Government that costs two-thirds more than a non-Federal service that is accomplishing the same goals. And I hope you will help us find that reason because I think that is what is going to justify going the avenue that the two of us believe should be done, and that is a consolidation somehow of management functions. For myself, I would say that the Park Service and the wilderness lands, whatever they may be, ought to be under one management, and those that are going to take any action that contributes to the gross national product ought to be under another, and the Park Service ought not to be managed, wilderness areas should not be managed with regard to what contributions they make in terms of GNP. But currently, they are all involved in the activities—recreation, wildlife, mineral management, timber, and tourists who just want to come and view—I guess that would be within recreation.

I hope you can help us move toward that goal. We would like to have a copy of that study, and I would like to suggest some additional things that we would like to have you find out—that is, are there similar policies with regard to rotation? Are there similar policies with regard to the costs of housing? Are there similar policies with regard to uniforms and other employee benefits, and how do those compare with the benefits offered normal Federal employ-

ees who are here? The Department of Agriculture people here do not wear uniforms; they do not have houses—but out in the forest, they have uniforms and housing allowances and transportation, personal change of station allowances, all sorts of allowances in the field that do not apply to people who are here. I think we should know, did we mandate that? Maybe we did. I do not remember mandating that the people in the forests wear uniforms.

Mr. GRYSKOWIEC. I do not think so. I think we can look at those internal agency policies and procedures regarding those items you just mentioned. I think it would be very instructive for us as well.

Chairman STEVENS. We just saved half a billion dollars of taxpayers' money by changing the PCS policy in the Department of Defense in this bill that is on the floor, annually. I would like you to tell us what it is costing us to allow them to administer the forests and the BLM and the Park Service and all the rest under the management policies that they have developed. OK?

Mr. GRYSKOWIEC. [Nods.]

Chairman STEVENS. Senator Glenn.

Senator GLENN. Thank you.

Would we improve the situation if we created a Department of Natural Resources?

Mr. GRYSKOWIEC. Maybe. I think it is too early to say that just having them all in one place is the answer. I think we first have to identify what the problem is, and once we identify the problem, I think we will be in a better position to figure out what the fix would be—whether it is a reorganization or consolidation or whether it is just new laws or streamlining existing operations.

I am not prepared to say that a new department would fix the problem. If we do not change anything else, then we are putting all the problems together in one place. That could make it worse.

Senator GLENN. Yes. Does everybody agree with that? Ms. Irving, you have been quiet here this morning. What do you think?

Ms. IRVING. I can say some of the same things in different words. All these agencies now have been assigned activities in the same broad mission area, but if you create a Department of Natural Resources, is it because you wish to combine the Corps of Engineers and the Bureau of Reclamation and put them in the same department with the Geological Survey and NOAA and EPA; and if so, do you have a bunch of different, competing bureaus, reporting to one cabinet secretary, or do you really go in and decide what you want to do?

Senator GLENN. Yes. Well, I tend to think the same thing. I like the idea of concentrating these functions in one place, but I think that unless we look at the other side of this coin, too, and change the legislation, I do not know but that we are just putting a different sign on it, and that's all. You can label a dead fish out on the beach "Chanel No. 5," but it is still the same dead fish out there, no matter what you call the thing. We are sort of in that same ball park here.

Let me just make a comment. I think the full statement by GAO goes into a little more detail, and I recommend it for everyone's reading. You point out here that there are different missions, that Fish and Wildlife and the National Park Service are managed primarily for noncommodity uses; they exist for recreation and for

other uses, and I will not go into those. And then, the Forest Service and Bureau of Land Management manage their lands for both commodity and noncommodity uses. So we have some different missions here. And you list some of the acts that apply to that.

I was interested in what is on the fourth page of your longer statement, in that this is where it gets complex, and this is where it comes right back to our doorstep here in Congress.

Your last big paragraph at the bottom on page 4 says that, "In addition, all four agencies must comply"—whether they are doing commodity or noncommodity activities, but they all have to comply—"with the requirements of the National Environmental Policy Act, NEPA" and all the regulations under them; they have to take all those environmental considerations into the agencies' management for either commodity or noncommodity users. And then, also, they have to include in this the Endangered Species Act, the Clean Water Act, the Clean Air Act, laws and regulations. You point out that "The Forest Service alone is subject to 212 laws affecting its activity and programs"—and I suppose there are similar numbers for the other agencies. And "Authority for implementing and enforcing these laws"—and it even gets more complex in that when you are talking about implementing and enforcing the laws, it does not come back just to the four different agencies—"Authority for implementing and enforcing is dispersed among several Federal agencies, including the Fish and Wildlife Service, the Department of Commerce's National Marine Fisheries Service, the Environmental Protection Agency and the U.S. Army Corps of Engineers, as well as State and local agencies." What a hodge-podge; if you set out to design a mixed-up mess, you could not have designed a better job if you really tried to sit down and design a wiring diagram and put that thing together.

So I favor getting these agencies and functions under one head; I have favored that for a long time. But I think right along with that, if we are going to do anything more than just put a new label on an old problem, then we have to go ahead and correct some of the legislation. You talked about the need for a consensus for change, and I agree with that. Presidents Carter and Nixon did not get much done when they put forward their ideas because there was not a consensus for change, as you point out in one part of your testimony. But at the same time, that is a difficult consensus for change when you are talking about the Endangered Species Act, the Clean Water Act, the Clean Air Act, commodity, noncommodity duties, 212 laws and all these different things put together.

Now, when your study is completed, are you going to give us some advice in this area?

Mr. GRYSKOWIEC. We will give you some information, but I think that your suggestion for an independent government commission may be what is needed. But again, how successful that commission might be will depend on whether there is enough consensus to be willing to listen to the results of the commission; so how it is formed and who is on it and how quickly they can deliver their message will be important.

This is not going to be a quick fix or an easy fix, but I think it is a very, very important area. It affects many American lives;

there is a lot of money involved, and I think we do need to start raising the issue so that a consensus can start to develop.

Senator GLENN. I agree with that completely. You point out on page 9 the two basic strategies—streamlining the existing structure by coordinating and integrating functions, systems, activities, programs and field locations—which you already addressed—or, No. 2, reorganizing the structure by combining agencies. And I think there is a third there—you have got to change the laws that they are all trying to administer to begin with, or it does not matter what you do. So in the next version of this report, I think maybe that No. 3 would be a good thing to look at, also.

Senator Stevens and I, when we discussed some time ago how we would go with the commission, our only difference as I recall was on the time that we thought would be required. He thought that maybe this could be done in a little shorter time than I thought it could be done. I think this is going to be such a monstrous job that it is going to take some time to do it. And at the same time we do all that, we want to follow what the Comptroller General has identified as the five principles to consider, which you referred to here. I think that is absolutely correct. But I do not think that, with our press of business and the routine of passing authorization bills, appropriations bills, and trying to get the routine stuff done that has to be done every year, I do not think we are capable of doing it just with the Committee structure that we have here right now. I think there has to be a commission; there will have to be some recognized people, some experts in organization and business and public administration appointed to it. And to try to say that they would have to have the report back by next March or something like that, this is too big a job in that timeframe as I see it.

I was just handed a note. The difference in the length of time was not a difference with Senator Stevens. I take that back. The difference was with Senator Roth when he was still Chairman of the Committee; Senator Roth and I disagreed on the time required for the commission to do its work. He wanted to do it in a short period of time, and I thought this would be a long and a big job if it is going to mean anything and have the impact that the old Hoover Commission had, which I think was a good model for us to follow.

Mr. COTTON. Senator, could I just add one thing? We could actually put a pie chart up there, too, as far as the Committee structures or the Committees responsible for that, and you would have six major committees and 18 Subcommittees.

Senator GLENN. You are making my day now. [Laughter.]

Mr. JOY. Senator Glenn, actually, that was recommended by the last Public Land Law Review Commission. But in any event, there was one thing that I did not want either you or the Chairman to go away with a misunderstanding about. We have not suggested that either of the two strategies—that is to say, coordinating or combining—would not necessarily involve changing laws. In fact, either approach may very well do that. Nor have we said they are mutually exclusive approaches. You might have to do a combination of both.

In fact, there are some differences between the laws that apply to different agencies' land, so if you are going to put them in one

department, I think you are probably going to have to open up some of the questions of which law is going to apply in that department. That really gets back to many of the issues that Senator Craig raised about differences in laws.

But I did not want to leave you the impression that changes in laws are not something that might be contemplated as a necessity in either approach, because they would.

Senator GLENN. Well, this gets even more complex when you have the proposals which are made now, which Senator Craig addressed also very briefly; but the general feeling that the Federal Government should not be carrying out a lot of these activities and that States can do it better, State Forest Services are more efficient and so on. But forests quite often do not stop at a State boundary; they are national. So I disagree with that approach. We do not say we are going to let the West handle the West, and the East will handle the East, and the South will handle the South. We are a Nation of 50 States, and I hope we never get around to dividing up into regional blocks in law like that, with laws only applying in certain areas and so on. I just do not think that would work at all.

Do you have any more details on how you would set up a commission like that? Have you looked at the Hoover Commission, and if so, is it a model that we should follow?

Mr. GRYSZKOWIEC. I have not, but everyone has recognized that the Hoover Commission was the most successful of all the commissions. My summary knowledge of that is that it did have a consensus of all the stakeholders; it had the personal involvement of the President, who helped lead it and keep it on track. So you had everybody believing in it and supporting it and working at it to try to get it completed, and I think 80 percent of its recommendations were implemented, so that is a pretty good track record.

Senator GLENN. Which of these agencies now could be best combined if we are going to streamline and reorganize? Whose functions are most like another's functions?

Ms. IRVING. Well, Senator, that depends a lot on how you define "alike." I can elaborate a little. First of all, the turquoise portion of that pie chart, the Environmental Protection Agency, spends all of its money in the sub-area labelled "pollution control," and it is the only department that codes any money in that function. So the issue in combining that someplace else is really whether you want to put that function in with the others.

USDA's activity in this is the Forest Service, the Farm Service Agency and some other small activities. DoD is entirely the Corps of Engineers, and it and the Bureau of Reclamation from DOI both spend money on water resources. But again, are they doing the same thing or not? That requires much more investigation, as Mr. Grysakowiec pointed out, into the detail level of their activities. And this chart on our budget function cuts really was just an indicator to provide you areas to sort of look at.

Mr. GRYSZKOWIEC. Again, I would like to go back and say that before we start moving the boxes, we should first figure out what is it that we want to achieve, or what problem are we trying to resolve. And then, once we figure out what it is that we want to achieve, then we can say, OK, is it combining these two or these three functions or these three agencies or these three missions or

whatever? But first, we have to establish what is it or where is it that we want to get to. Then, I think we would be in a better position to say, OK, what are some possibilities for getting there? To try to talk reorganization first, I am not sure will fix the problem.

[Chairman Stevens conferring with Senator Glenn.]

Chairman STEVENS. I apologize. There is a matter pertaining to an amendment on the floor that we have got to have some common policy on. I appreciate your courtesy.

Mr. GRYSKOWIEC. That is fine, Senator.

Senator Glenn, I just wanted to add that I received a note that Mr. Bowsher actually has some thoughts on the organization of a commission, and I think he has provided that to your staff; if not, we will make sure that you do have it.

Senator GLENN. Yes. We have talked with him a number of times about this, and he has also given testimony on it a couple of times. We have had the first Hoover commission, the second Hoover Commission, the Ash Council, the Carter reorganization effort, the Grace Commission, and now, the "Reinventing Government" and NPR—those have all been different efforts, and I think we can look at all of them and find out what worked best in what areas. I think the Hoover Commission is generally looked at as the one commission that most effectively changed the course of government, and in this time period now, I think we really have a good opportunity to do this. Whatever administration is there, this reorganization is going to take a number of years to do anyway, and it is going to be effective 10 years from now. We are still living with the effects of the Hoover Commission right now. So that is what I hope we can do with this type of a commission, and the Chairman and I are in agreement on that one, I think.

Thank you.

Chairman STEVENS. I want to move on to Mr. Dean, but let me say this. In my questioning, I was talking about the redundancy, and it is not just in terms of what is done on the ground; it is redundancy in terms of the policies and the inconsistent practices that come from those policies and the overlapping of administration dealing in some instances with the same land. I think that when the Fish and Wildlife Service studies the Forest Service land, when the Forest Service already has a whole division of fish and wildlife specialists and biologists, that is a redundancy that is unnecessary, but the current law requires it, apparently.

Those are the things we want you to help locate for us, so that as we deal with this reorganization, we can specify who has the jurisdiction over fish and wildlife and where it resides, and I hope it is going to reside in the same agency that has the ability to prepare the overall environmental impact statements concerning any potential use of the lands that have fish and wildlife.

That is the problem, and you mentioned that, Mr. Cotton. We have got to find those things, and I hope you can not only help us find them, but then identify the costs. It is like this moving question. It may seem esoteric, but when we can save half a billion dollars by changing the policy of how often military people are rotated from their bases—and, by the way, get overwhelming approval of the families because they do not like to move in the middle of their children's high school or grade school period—this was negotiated

with the people in the Department of Defense, and the extension means you will not move people as frequently in the past. The savings are quantifiable readily in the Department of Defense, but they are not in these other agencies because apparently, the accounting practices do not give us that information.

So I hope you can identify for us why we cannot get that information. Why can't I just go out there tomorrow on an Interior bill and say that as a matter of policy, you cannot rotate people in national parks or wildlife refuges or BLM or Forest Service more often than once every 4 years—and tell the Congress how much is saved by that? We have just done it for defense, and I think we should be able to do it for non-defense.

So I hope that even when you are doing this with your other goals, we do need to find out—I am about ready to put an amendment on this bill that says every agency must keep those records, and they must be auditable in terms of the costs of personnel decisions. Can that be done?

Mr. GRYSKOWIEC. I think they are working on it.

Chairman STEVENS. I mean, I think I can do it—but can they do it?

Mr. GRYSKOWIEC. I do not think they can do it today, but I know they all are being charged with being able to get their accounting systems in order so they can provide you that kind of information.

Chairman STEVENS. Good. Thank you very much.

Mr. GRYSKOWIEC. Thank you.

Chairman STEVENS. We appreciate your courtesy. Are you going to give them any interim reports before January?

Mr. COTTON. Only if we are called to testify again. We have actually testified twice, and we will provide you with those statements.

Chairman STEVENS. I do not want to be redundant ourselves, but we have a different job than they do. They are looking at changing the laws regarding function. We are looking at changing the laws with regard to management concepts to eliminate redundancy in terms of basic agencies. The Energy Committee cannot change, perhaps, the laws that are under the jurisdiction of another committee, but we can change the overall structure of government, and that is what we are seeking to do.

Thank you.

Our next panel consists of Alan Dean and Robert Nelson. I apologize again for the delay, gentlemen.

Mr. Dean is with the National Academy of Public Administration, and Professor Nelson is from the University of Maryland. I will note that you would not ordinarily be linked together in terms of a panel, but I appreciate your courtesy. I do not know whether other Senators are going to join us here today, but you proceed as you wish, please.

Mr. Dean.

TESTIMONY OF ALAN L. DEAN, SENIOR FELLOW, NATIONAL ACADEMY OF PUBLIC ADMINISTRATION, WASHINGTON, DC.

Mr. DEAN. Thank you, Mr. Chairman. It was very interesting to listen to the prior witnesses and the questioning by you and Senator Glenn. I will try to address some of those in my brief prepared

statement which has been supplied to you and the members of the Committee.

Chairman STEVENS. We will print both of your statements in our record. We are going to have a series of hearings as we go forward, and we are pleased to have your contribution.

Mr. DEAN. I therefore, Mr. Chairman, will take the liberty of basically summarizing the statement to provide the optimum time for give and take with you and any other members of the Committee, if that is your wish.

Chairman STEVENS. Please.

Mr. DEAN. My name is Alan Dean. I am former chairman and currently a Senior Fellow of the National Academy of Public Administration. That academy is a nonprofit organization chartered by the Congress for the very purpose that I am here today—to give advice on matters of organization and management of the executive branch.

I will base some of my comments on studies of the Academy in which I have been involved, but most of what I say today will be based upon years of participation in government organization matters in the old Bureau of the Budget and the current OMB, in which I was both the specialist in natural resources organization and the staff director of President Nixon's efforts to reorganize domestic executive departments, one of which was to establish a Department of Natural Resources.

It is extremely timely for this Committee to hold hearings on the organization and management of those aspects of the Federal Government that deal with natural resources. I will say that I know of few opportunities to improve the organization of the executive branch that could produce such immediate benefits as a regrouping and restructuring of the government's land management agencies. Even the most casual examination of the present arrangements will reveal a situation guaranteed to frustrate effective, multi-purpose custody of the nearly 750 million acres of non-Defense Department Federal lands.

The bulk of these lands, as the Committee knows, is administered by two agencies. The first is the Bureau of Land Management in the Department of the Interior, which has total custody of 270 million acres of Federal land; but it also has responsibility for continuing subsurface management of an additional 300 million acres, largely mineral rights.

The second is the Department of Agriculture's Forest Service, with about 190 million acres within the national forests. Especially in the West, these two agencies administer intermingled lands which are managed for forest products, minerals, grazing and recreation.

Although they do very similar things, they are now separate bureaucracies from top to bottom, reporting to Secretaries in different executive departments.

There are two other bureaus other than agencies of the Department of Defense which are entrusted with major holdings of Federal lands, both of which are components of the Department of the Interior. I refer to the National Park Service, which administers 365 sites totalling 81 million acres, and the U.S. Fish and Wildlife Service, which has custody of more than 500 national wildlife ref-

uges, 166 waterfowl production areas, and jurisdiction over 92 million acres of Federal land.

There are historical reasons for the current division of land management responsibilities between two departments. Early in the century, President Theodore Roosevelt withdrew from the public domain certain lands administered by the Department of the Interior containing significant forest reserves. The action was designed to preserve from sale or indiscriminate harvesting forests which the President believed should be reserved for the future needs of the Nation. Because the Interior Department was then not trusted to act effectively as a conservation agency, the Forest Service was created by Congress in 1905 as a part of the Agriculture Department.

However, since 1905, the original considerations which led to the placement of the Forest Service in a different department from that of the Bureau of Land Management have been overtaken by events which argue strongly for a fresh look at the merits of this separation.

Among the factors which now justify examination are, first, that the mission and culture of the Department of the Interior have been radically altered since the early years of the century. It now has at least as much concern with the orderly development and conservation of the Nation's natural resources as the Department of Agriculture. This fact is best demonstrated by the fact that the Interior Department is presently entrusted with the administration of such environmentally sensitive entities as the National Park Service and the Fish and Wildlife Service, both of which, as I have already noted, are major custodians of Federal lands.

Second, the Forest Service itself has undergone a revolutionary transformation from an entity concerned primarily with the growing and harvesting of trees on a sustained yield basis to an agency in which providing recreational facilities and opportunities has become the dominant mission, as the Chairman has already pointed out. This trend is also expected to continue.

Moreover, the nature of agriculture in the United States has changed so much that the Department of Agriculture is increasingly concerned with technical assistance, research, regulatory and promotional activities which reflect the fact that most American farming is now conducted as substantial business enterprises. The Forest Service is really an orphan in a department whose principal concerns have little relationship to what is now involved in the administration of the national forest system.

When one visits the public lands of the Western United States—and I have to tell the Committee that I am Oregonian and have spent a lot of time in the national forests and on the public lands—one quickly learns that the forests do not stop with Forest Service boundaries, nor does grazing, or for that matter, minerals, cease at the borders of BLM holdings. These lands are often so intermingled that it is frequently difficult to know whether one is standing on Forest Service or BLM land.

I submit that there are now no discernable advantages to be derived from continuing this separation. A consolidation of the Forest Service and BLM—and I mean consolidation, not coordination—into a united land and forest management service would reduce bu-

reaucratic duplication, improve efficiency, foster consistency in the management of public lands, and enhance the government's ability to serve the public.

I am also convinced that if we were to start from scratch on the basis of what we know in 1996, no one would advocate placing the Forest Service in the Department of Agriculture.

I would therefore urge that at a minimum, Congress recognize that the Department of the Interior is the Federal Government's primary land management and natural resources conservation agency by moving the Forest Service from the Department of Agriculture and authorizing, or providing for, in the law its consolidation with the BLM.

Taking the action that I am recommending could be done as a single-purpose reorganization—and, by the way, pretty simply—or it could be accomplished as a part of a more sweeping reform, namely, the creation of the often-proposed and, in my judgment, long overdue, Department of Natural Resources.

As long ago as 1949, the first Hoover Commission's Task Force on Natural Resources proposed the consolidation of Federal water resources and land management functions in a new Department of Natural Resources which would have superseded the Department of the Interior.

When President Nixon took office in 1969, he established an Advisory Council on Executive Organization, usually known as the Ash Council after its Chairman, Roy L. Ash of Litton Industries. In May of 1970, that Council sent a recommendation to the President proposing a Department of Natural Resources which would include numerous land and water resource management functions then scattered throughout the Executive Branch and, for that matter, still scattered throughout the Executive Branch.

President Nixon accepted these recommendations, and in 1971, proposed that a Department of Natural Resources be established as a part of a comprehensive plan for departmental reorganization. During the next 2 months, the Office of Management and Budget—under my immediate supervision—developed detailed plans for these new departments, including the DNR. These plans were published in 1972 in a compilation titled "Papers Relating to the President's Departmental Reorganization Program." The Committee may wish to take note of pages 111 to 125 of this official publication because they go into much more detail than I can in this statement—and by the way, I brought a copy along if the Committee would like to include in its record these pages.

Chairman STEVENS. We would like to have it, yes.

[Document follows:]

PAPERS RELATING TO
THE
PRESIDENT'S DEPARTMENTAL
REORGANIZATION PROGRAM

Executive Office

of the

President

FEBRUARY 1972

Proposed

Department of Natural Resources

REPORT AND REVIEW

A. INTRODUCTION

1. PRESIDENT'S REORGANIZATION PLAN

President Nixon, in his state of the Union address on January 22, 1971, proposed a sweeping reorganization of the executive branch to enable the Federal Government to carry out its responsibilities in meeting the changing needs and concerns of the American people. The President's reorganization proposal is largely based on the findings and recommendations of a detailed study conducted by the President's Advisory Council on Executive Organization (Ash Council).

The present structure of the executive branch has evolved over a long period of time and is based in most instances on narrow constituencies and fragmented functions. While the original rationale for creating existing departments and agencies may have been valid, the changes that have occurred in this Nation create a need for substantial revamping of this structure. The President is therefore recommending that many of the domestic programs of government be rearranged and assigned to four new departments:

Community Development.—A department concerned with the community—rural communities and urban communities—with the need to create and preserve a safe and wholesome living environment for every person.

Natural Resources.—A department concerned with our natural environment and the preservation and balanced use of those great natural resources on which this Nation depends.

Human Resources.—A department dealing with the concerns of people as individuals, as members of a family—a department focused on human needs.

Economic Affairs.—A department concerned with the growth and health of our economy—with our jobs, our businesses, and those many activities that maintain and strengthen the American economy.

2. CONCEPT FOR THE DEPARTMENT OF NATURAL RESOURCES

The people of this Nation enjoy the highest standard of living in the world, in large part as the result of having an abundance of natural resources and the technological capability to develop and operate a sophisticated, industrialized economy. This abundance of natural resources has served the Nation well, but the needs of future generations can only be met if effective action is taken to recognize not only the demands of a growing population, but the effects of increased per capita consumption, higher standards of living, and the need for restoring, protecting, and enhancing environmental quality.

Population growth is a major factor that will determine future demands for resources. In addition, the impact of this growth is compounded by rapid improvement in standards of living, economic growth, and a general public desire for improved quality of life. As a result of the combination of these factors, the consumption of resources will increase at a rate far greater than population growth. Currently, with only 6 percent of the world population, the United States consumes 30 percent of the total world mineral production. If present trends continue, the U.S. demand for primary minerals could increase by more than 400 percent by the year 2000, energy requirements could more than triple, and water withdrawals could be over four-fifths of the entire national streamflow. We will have to construct as many additional houses and other structures as now exist. In the remaining years of this century, the United States will use more energy and other key resources than it has consumed since its beginning.

In addition to satisfying future demands for water, timber, minerals, and energy, our people also will need and demand the preservation of forests, lakes, wilderness, beaches, and the general environment for increased recreational use, and to maintain the quality of life for the Nation.

The world is an ecological system—the sum of all of the living and nonliving components that support the chain of life. As some natural resources are being depleted, as foreign sources of supply become less plentiful and less secure, and as environmental problems become more evident, the Nation suddenly has become aware of the full importance and significance of the need for the conservation and management of natural resources and the protection and preservation of the environment, not only to sustain and provide for continued social and economic growth but for man's well-being and survival.

The Nation needs a better understanding of the total environment--the oceans, the atmosphere, and lands and their interaction--to enable us to monitor more effectively and predict environmental actions, and

to exercise some degree of control over the environment for the better protection of life and property from natural or manmade hazards. There is also need for exploration and development leading to more intelligent use of our resources, wherever they are found, with full consideration of the environment.

In summary, the natural resource and related environmental challenges facing the Nation are:

- To provide sufficient supplies of water, minerals, fuel, and timber to support our energy and other needs for future economic development.
- To maintain and enhance our forests, unique natural areas, historic properties, lands, waters, fish and wildlife, beaches, and estuaries in a manner which meets the aesthetic, cultural, and recreational needs of the people.
- To understand our physical environment and the natural and manmade changes that are taking place so that modifications can be made when advantageous and possible and, when modifications are not possible, to provide advance hazard warnings.
- To manage our resources in ways which will assure ecological balance and thus sustain the basis on which public needs can continue to be fulfilled.

If this Nation's future resource requirements are to be met through the wisest conservation and management of natural resources, there is urgent need to provide that governmental organization and managerial capability which can most effectively develop and implement comprehensive natural resource policies and programs. Both operational programs and scientific investigations for the land, oceans, and atmosphere need to be integrated as elements of a total system rather than as separate entities under diverse administration. Since natural resources policies and programs involve more than the conservation and management of federally owned resources, there needs to be consistency of treatment by the Federal Government in its policies and programs affecting natural resources owned or administered by State and local governments, Indian tribes, private organizations, and individuals.

The distribution and mixed ownership of natural resources is a major consideration which requires a more effective and efficient Federal organization to assure that these resources most effectively meet future needs. This Nation's resources are distributed over some 3.6 million square miles of onshore lands and 527,000 square miles of the Continental Shelf. Ownership and management responsibilities are divided among Federal, State, local governments, Indian tribal governments, and the private sector.

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Responsibility for management of the Federal lands which comprise one-third of the Nation's onshore lands is divided among a number of organizations:

	Millions of acres
Bureau of Land Management	475
Forest Service	187
National Park Service	30
Bureau of Sport Fisheries and Wildlife	30
Bureau of Reclamation	9
Defense and other	35
Total	766

Future planning and management must adequately recognize and provide for the most effective use and productivity of all resources, both publicly and privately owned. For example, only about 30 percent of rainfall can be intercepted and managed as it flows toward the sea through surface and subsurface systems involving lands of all ownerships and uses. Water resource management therefore must recognize and provide for all lands and uses if the regions of the Nation are to be assured that their water needs will be met. Other examples of closely related public-private resource ownership relationships which affect future availability of resources are:

	Percent	Percent
	Federal land	Non-Federal land
Outdoor recreation visits	14	86
Petroleum reserves (including Outer Continental Shelf)	52	48
Natural gas reserves (including Outer Continental Shelf)	52	48
Coal	39	61
Shale oil potential	75	25
Uranium	40	60
Geothermal steam	60	40
Saw timber inventory	48	52
Commercial forest land area	22	78
State and county		(6)
Industry		(13)
Farm and miscellaneous private		(59)

The close relationships among resource uses also must be recognized. Forestry practices directly affect water supplies, fish and wildlife, and outdoor recreation. Flood control or water supply projects likewise have similar impacts on other resource values. Mineral development and utilization can, if carelessly done, destroy other resource values and result in serious water and air pollution. The need for environmental protection is linked directly to every form of natural resource use.

To better meet these challenges, the Department of Natural Resources will bring together into one agency most of the numerous natural resources and physical environmental programs which currently

are scattered throughout several Federal organizations. It will provide the essential governmental capabilities required to plan, establish priorities, weigh alternatives and priorities, and operate programs so that this Nation's natural resources will make their optimal contribution to national objectives.

The availability of adequate water, energy, timber, forage, outdoor recreation, and other resources contributes to individual well-being, community development, and economic growth and productivity. For example, sufficient energy is essential for general economic development, for the growth of communities, and for the public well-being. The same is true for water and for recreation resources.

Thus, the purposes of the Department of Natural Resources are interrelated with the purposes of the other three proposed departments. However, since natural resources involve a coherent system of relationships among resources and with the environment, they need to be managed within a single organizational framework. The management of natural resources also requires conservation to meet future, as well as current, needs. Immediate pressures for short-term development and utilization must be evaluated in the light of requirements of future generations.

Accordingly, the proposed Department will be so structured and organized as to integrate resource utilization and environmental values. Through its policy formulation and program operation functions the Department will be able to respond more vigorously and coherently to the needs for economic and community development, for environmental protection and enhancement, for the conservation and wise-use of resources, and for other national goals than can present agencies.

3. PRIOR REORGANIZATION STUDIES AND RECOMMENDATIONS

Over the past 50 years, a number of studies have focused on the management problems posed by the fragmentation and proliferation of natural resource functions among departments. For example, after laboring for several years, the Congress' Joint Commission on Reorganization of Government Departments rendered its report to President Harding who, in turn, transmitted it to the Congress with his recommendation for adoption. The report recommended transfer of the nonmilitary engineering activities of the War Department to the Department of the Interior and the transfer of the functions of the Federal Power Commission to Interior. There were joint House and Senate hearings on those recommendations but no further action.

Late in 1932, President Hoover submitted a plan to Congress that, among other things, would have transferred the Corps of Engineers' civil functions to Interior and the General Land Office from Interior

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to Agriculture. All of President Hoover's reorganization recommendations, including those affecting natural resources, were disapproved by a House resolution of January 19, 1933.

The President's Committee on Administrative Management in 1937 recommended creation of a National Resources Planning Board which was established in 1939. It functioned largely in the natural resources field and helped coordinate agency activities and Federal-State relationships until its abolition in 1943. The President's Committee also recommended a basic structure of 12 departments, one to be the Department of the Interior retitled the Department of Conservation.

In 1949, a majority of the Hoover Commission overrode the recommendation of its Task Force and its Committee on Natural Resources which would have consolidated water resources and public land management functions in a Department of Natural Resources. Instead, the Commission recommended that public land management be consolidated by transferring the Bureau of Land Management to the Department of Agriculture and that civil functions of the Corps of Engineers be transferred to Interior.

The second Hoover Commission, reporting in 1955, recommended creation of a Water Resources Board and that the Corps of Engineers assume the Soil Conservation Service function of constructing headwater dams for flood control. The proposal to establish a Board was similar to one going back to the Inland Waterways Commission established by Theodore Roosevelt. The present Water Resources Council represents to some degree the kinds of coordinating mechanism advocated by the two Commissions.

President Eisenhower, in his final budget message of 1961, recommended consolidating the water resources functions of the Corps of Engineers, the Department of the Interior, and the river basin survey work of the Federal Power Commission.

The June 1970 report to the President by the Public Land Law Review Commission, entitled "One Third of the Nation's Land", recommended the establishment of a Department of Natural Resources which would bring together the major public land agencies.

4. PROBLEMS WITH EXISTING ORGANIZATIONS

Federal natural resources programs have developed historically on a piecemeal basis in response to problems, specific needs, various pressures and urgencies over a long period. This has resulted in programs scattered among agencies, with attendant overlaps, duplications, inefficiencies, and also voids. For instance:

- Major water resource development programs are located in three departments: Agriculture, Interior, and Army. A separate agency, the Water Resources Council, was established for the purpose

of providing a mechanism to coordinate the several agencies' planning efforts and water resources policy. The Council has had limited effectiveness since it is basically an interagency committee. While some improvements have been made, interagency rivalry, duplicative planning, and conflicting policies still persist.

- Nonmilitary Federal lands are administered by five agencies in two departments. Agriculture's national forest lands and Interior's public domain lands generally involve the same types of resources and uses. These lands often are adjacent to each other and sometimes intermingled. Even though these lands are managed to meet similar objectives and frequently are used by the same clientele, management policies and procedures have been dissimilar or not uniformly applied. Their separate administration results in unnecessary problems for forest and range users, overlapping efforts, and less effective land use planning for public uses.
- Federal recreation areas are administered by six different agencies in three departments and by one independent agency. Each agency tends to plan its own recreation development without appropriate recognition of the regional public need or the interaction among Federal and non-Federal public and private facilities and programs to meet total needs.
- A variety of marine resources and environmental programs were located in several agencies of the Government, inhibiting the development of a cohesive national effort. Many of these were transferred to the National Oceanic and Atmospheric Administration by Reorganization Plan No. 4 of July 9, 1970. However, this still left the related offshore oil, gas, mineral resource, and earth sciences programs separately managed by Interior.
- Energy programs consist of separate activities concentrating on particular sources of energy. They are scattered among several agencies with no single agency charged with formulating and implementing a unified policy and approach to assure effective energy resources utilization and conservation and, at the same time, to meet future energy requirements and the achievement of environmental objectives.

The present government organizational structure is not conducive to effective natural resource management because there is no mechanism for the effective coordination of policies, authorities, programs, activities, and services, as discussed above. Specific results have been:

- In the Southeastern States, stream channel straightening and deepening (Agriculture) has been protested vigorously by the Department of the Interior, supported by certain conservation interests.

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The process of balancing fish and wildlife and scenic values against economic development needs is unnecessarily frustrated by fragmented planning and evaluation responsibilities within the Federal Government.

- A Corps of Engineers' project for flood control and agricultural water supply had serious impacts on the Everglades National Park and on fish and wildlife values in south Florida as a result of incomplete planning and coordination. Settlement of the conflict would have been expedited had one department been responsible for consideration of all facets of the problem.
- Frequently the management objectives for coterminous lands administered by two or more agencies are significantly different. For example, in California there are three national parks—Lassen Volcanic, Yosemite, and Sequoia-Kings Canyon—that are almost completely surrounded by contiguous national forest lands of the Department of Agriculture. Forest infestation by the mountain pine beetle in epidemic proportions is a recurrent problem. Multiple-use forest management objectives usually call for rapid suppression of such outbreaks while national park management objectives call for letting ecological forces take their course in reaching a natural balance. Another example is the proposed recreational development of the Mineral King Valley in California which has resulted in significant interdepartmental disagreements between Interior's National Park Service and Agriculture's Forest Service. Thus, there are apparent conflicts of management principles between two agencies now in separate departments that could be more readily resolved within a new Department of Natural Resources.
- A proposed Corps of Engineers' water supply and flood control project on the Rappahannock River has direct impact on river recreational and scenic values, estuary areas, and sports fish and wildlife resources which are the responsibility of the Department of the Interior. There also are possible impacts on oyster beds used for commercial purposes which fall within the program area responsibilities of the National Oceanic and Atmospheric Administration, currently in the Department of Commerce.
- In California and in Oregon, the Corps of Engineers and the Bureau of Reclamation each contended it should build certain projects. These jurisdictional problems, which the Executive Office of the President has had to handle, often inadequately, need not arise if there were one water resource agency.
- The Bureau of Land Management typically manages lands of lower elevation while the Forest Service manages the higher areas. Quite often, a rancher desires to graze his livestock in the lower

areas in the spring and the higher areas during the summer. Dual management of these lands is an undue hardship to the rancher who must obtain permits from the two agencies.

The grouping together of natural resources programs with broad common purposes and the establishment of a coordinated natural resources management policy through the Department of Natural Resources will eliminate many of these problems, or enable the resolution of them within one department.

5. POLICY OF MINIMUM CHANGE CONSISTENT WITH DEPARTMENTAL GOALS

In planning the new department, consideration has been given to how to preserve necessary program continuity and effectiveness in meeting current needs. Upon enactment of the proposed legislation, existing organizational units transferred to the Department of Natural Resources will lapse. The Secretary will administratively reestablish these units so that they will remain relatively intact to avoid serious disruption of essential functions or services. However, he may be expected progressively to reorganize his department so that various programs and activities will come to be grouped around common purposes and functions to achieve the maximum potential benefits associated with the new departmental concepts. Making such transitions on a well-planned schedule will afford sufficient time to consider all factors and to assure the most orderly achievement of departmental objectives with a minimum of adverse impacts.

B. OBJECTIVES AND BENEFITS OF THE NEW DEPARTMENT

1. OBJECTIVES OF THE PROPOSED DEPARTMENT

To achieve national objectives the Department of Natural Resources must incorporate the necessary planning, policy formulation, program management, research, and other activities required for it to provide effective Federal leadership. However, Federal responsibilities will vary, depending on a number of factors such as ownership of resources and the responsibilities of the private sector and of the States and local governments. Recognition of these responsibilities is germane to the development and operation of the various functions of this Department.

It will be the function of the Department of Natural Resources—by providing national leadership and establishing effective working relationships with private organizations and individuals, State and local governments, and other Federal agencies, to:

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- Foster the conservation, management, and utilization of natural resources, based upon studies and analyses of supply and demand and alternative measures for meeting such demand.
- Plan and undertake programs for the conservation, management, and utilization of land, water, forest, range, mineral, fish and wildlife resources.
- Help assure maintenance of the ecological balance necessary to sustain human and vital plant and animal life systems.
- Explore and survey the earth, the atmosphere, and the oceans and to assess their physical characteristics.
- Conduct scientific research and to encourage development of technology to conserve and effectively utilize natural resources with minimum impact on the environment.
- Undertake programs for the optimal development of various energy sources, including research on nuclear power and management of uranium raw materials and uranium enrichment.
- Provide physical and economic data, maps, charts, and hazard warnings, and other information regarding the earth, its atmosphere, and its oceans.
- Provide and enhance opportunities for outdoor recreation.
- Manage Federal public lands and other resources, including national parks, forests, wildlife refuges, and fish hatcheries.
- Preserve irreplaceable and unique park, wilderness, scientific, historic, fish and wildlife, and other biotic resources.
- Facilitate the development and protection of commercial fisheries.
- Foster the health and safety of miners.
- Assist in achieving oil and gas pipeline safety.
- Assist Indians, Alaskan Natives, and territorial peoples to achieve their cultural, social, and economic objectives.

2. EXPECTED BENEFITS AND IMPROVEMENTS

The general welfare of the Nation requires that its limited natural resources, including energy sources, be conserved, managed, and utilized so as to help achieve the highest practicable environmental quality; harmony between man and nature; social, economic, and community development; individual fulfillment; and the security of the American people of this and future generations. The establishment of the Department of Natural Resources will provide the necessary organizational capability for best achieving natural resources objectives, improving government operations, and assuring the coordinated and effective administration of programs. It will bring together and provide leadership and direction for all of those Federal activities which most directly relate to the discovery, assessment,

preservation, development, utilization, future adequacy and enjoyment of natural resources, including energy sources, and achieving a sound balance between preservation and development. By grouping together all natural resources programs with broad common purposes in the Department of Natural Resources, it will be possible to:

(a) Establish a center of responsibility for developing essential, broad, unified natural resources policies, such as energy policy and water policy, for consideration by the President, the Congress, and the people.

(b) Provide for necessary accountability to the public through discrete assignments of responsibilities on such matters as public land management.

(c) Simplify relationships of States, local governments, and the private sector with the Federal Government in natural resources matters.

(d) Allow the President to look to a single key official, the Secretary of Natural Resources, to carry out his administration's natural resources policies and programs.

(e) Provide greater effectiveness in the development of policies, plans, and evaluation of performance than is now possible with responsibilities and programs scattered among several agencies and with the small staff available to the President.

(f) Provide broader organizations to permit more adequate consideration of possible tradeoffs among competing programs.

(g) Rationalize balance among conflicting demands, for example, preservation versus development, in planning and managing resources.

(h) Encourage the resolution of most disagreements on resource problems at a departmental level rather than a higher level, or by having to resort to often inconclusive interagency coordinating mechanisms.

The proposed Department of Natural Resources will bring together in one agency most of the primary responsibilities and functions required to assure the most effective achievement of natural resources and related environmental objectives. The Secretary of the Department will have the necessary overall perspective and responsibility so that alternatives can receive proper consideration and conflicts can be resolved in the public interest. Federal policies and programs can be more responsive and coherent with appropriate emphasis and vigor as required to meet current and future social, cultural, and economic needs. Priorities can be better weighed in the development and implementation of national policies and programs. A wider range of alternative actions can be taken without jeopardy of administrative conflict. A clearly defined center of responsibility will mean that a con-

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tinuous effort can be sustained to match national requirements for resources with action programs geared to meet them.

In addition to the substantive improvements for more effective planning, policy formulation, and programs set forth in the previous sections, there will be opportunity for administrative efficiencies and savings over the long run. The simple act of consolidating the related programs of existing agencies will permit some consolidation of common services and reduction in overhead staffing. Specific examples can be mentioned which will result in considerable improvement in operating efficiency, such as the combined use of data processing systems, ships, aircraft, and laboratories, which now separately exist in NOAA and USGS. Elimination of much of the need for coordination among agencies will reduce workload in such areas as remote sensing, coastal zone and Outer Continental Shelf mapping, and water supply forecasting. Other economies should result from the unified administration and management of Federal lands and the simplification of the present checkerboard pattern of administrative jurisdictions.

C. ORGANIZATION OF THE PROPOSED DEPARTMENT

1. ORGANIZATION STRUCTURE

There is much interdependence among natural resources programs. For example, the various sources of energy often are substitutable and competitive. How minerals are mined has an impact on other land and resource management activities, water quality, and on scenic value. Recreation depends on scenic value and on a number of resources such as land and water.

By not recognizing the interdependence, the present structure encourages fragmentation. Thus, a comprehensive response to natural resource problems is most difficult to make. By bringing together related programs and organizations with similar missions, the Secretary will have in one organization the necessary capabilities to make a comprehensive response to such problems.

Considerable thought and planning has been directed to this structure which will bring together under common direction, at the Administrator level, formerly competitive organizations and activities such as the Forest Service and the Bureau of Land Management; the Bureau of Reclamation, the Corps of Engineers' civil functions, and the Soil Conservation Service; and the conventional sources of energy

(coal, gas, and oil) and nuclear energy. At the same time, the organization structure will be made more comprehensive and more manageable.

Natural resources programs are conducive to being grouped into a small number of major components on the basis of common purposes. The reorganization will, therefore, bring together related resource functions in the following administrations: Land and Recreation Resources; Water Resources; Energy and Mineral Resources; Oceanic, Atmospheric, and Earth Sciences; and Indian and Territorial Affairs.

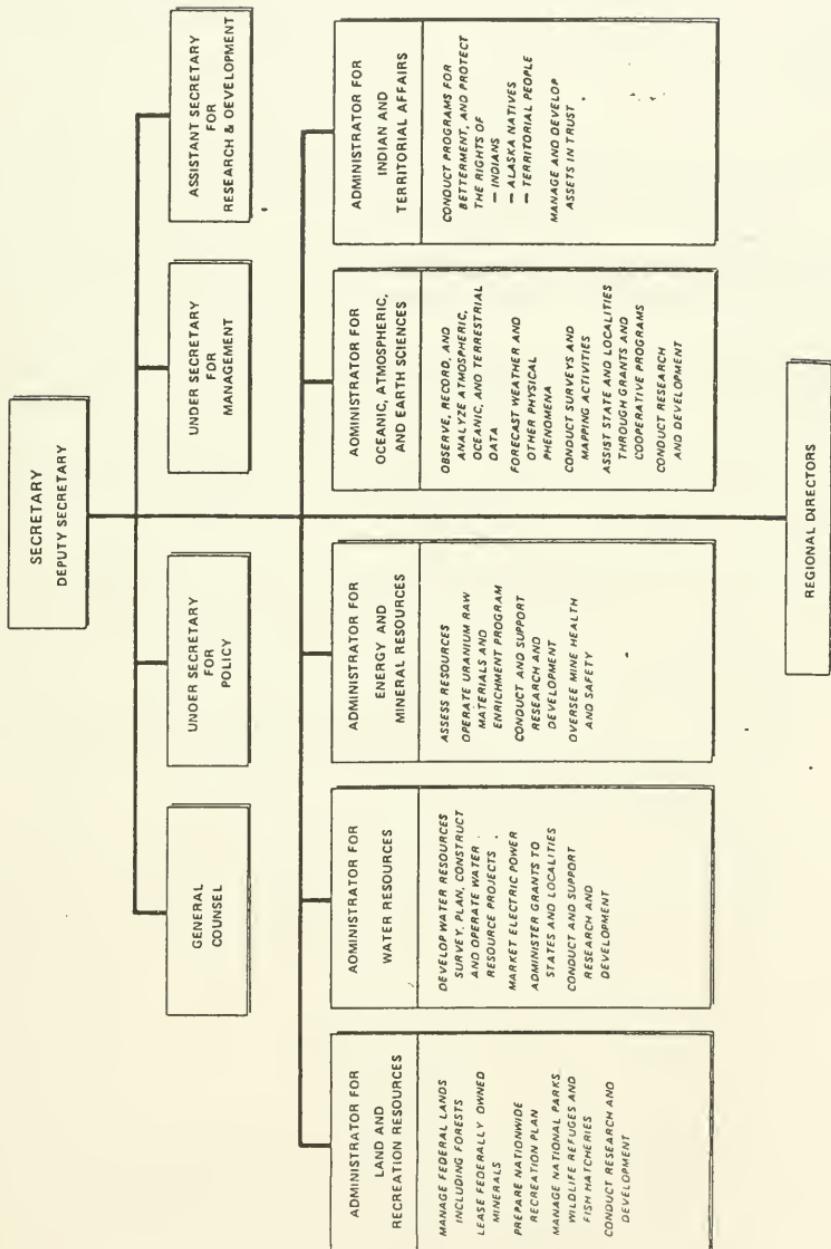
a. Land and Recreation Resources Administration.—This Administration will have two principal resource management objectives: land and recreation.

Land resources deal with both publicly and privately owned lands. Federal land management and development programs cover all non-military Federal lands—some 760 million acres, of which 90 percent are in the West. Sixty percent of the Nation's softwood saw timber grows on federally owned lands, and the value of the Federal timber inventory is estimated at \$30 billion. Some 19 million livestock in 31 States graze at least part of the year on these lands. A third of the Nation's big game and 10 percent of all other game is taken from them. Recreational use is heavy—some 500 million visits annually—and growing.

Consolidation of management responsibility for public lands will provide more effective management of resources and provide the maximum benefits to the public from this rich national asset. Resource conservation and development must effectively incorporate and use the principle of multiple-use management. Management also must recognize the commonality of functions shared by the Federal land management agencies in such things as fire protection, recreation facility development, forestry, grazing, wildlife management, and visitor services. Resource conservation and development can be met most effectively by a single department responsible for managing interrelated Federal activities in the public interest. This component of DNR will effectively group together the land management and recreation resource agencies and their functions.

The emphasis on outdoor recreation opportunities also requires a focal point within the Government for the formulation and implementation of national policies. There is great national concern for the preservation and enhancement of the environment so it may be enjoyed. Part of this concern centers on having access to adequate parks, open spaces, fish and wildlife, and other outdoor recreation resources and facilities. Recreation demand is increasing rapidly and varies widely depending on the desires of people and the nature of lands and facilities available. The provision of outdoor recreation opportunities depends

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on the private sector, local governments, States, and the Federal Government. The DNR will provide a center for coordinated relationships with the States and communities on outdoor recreation matters. The DNR will also provide the focus that considers all relevant factors so that Federal land and water recreation programs can be planned and evaluated, have priorities established, and be administered effectively.

Planning for the most effective development and utilization by the public of Federal recreation areas will be better coordinated with other land use, resource, and environmental factors. Water-based recreation is one of the most desired forms of outdoor recreation. Bureau of Reclamation and Corps of Engineers water projects provide significant recreation opportunities as part of national multiple-purpose water resources development. National forests and public domain lands provide outdoor recreation opportunities as part of multiple-use management of lands. The Forest Service and the Bureau of Land Management also administer wilderness and primitive areas, wild and scenic rivers, fish and wildlife, historical and other sites of cultural and recreation value. National parks and wildlife refuges have the primary mission of preservation and availability of unique natural, historic, or scientific areas, and fish and wildlife species for public enjoyment.

The functions of the land and recreation component are:

- Formulation and implementation of national recreation policy;
- Nationwide recreation planning;
- Technical and financial assistance to States (including grants) for planning, land acquisition, facility development, fish and wildlife, historic sites preservation;
- Formulation and implementation of national timber policy based on supply and demand projections;
- Technical and financial assistance to States (including grants) for fire protection, forest management, tree planting, insect and disease control;
- Research and information services;
- Management of federally owned lands:
 - Timber resource management;
 - Range resource management;
 - Provision of outdoor recreation resources and facilities;
 - Fish and wildlife management and preservation;
 - Preservation of unique natural resources and historic sites;
 - Mineral resource management;
 - Natural resource preservation;
 - Soil and moisture conservation;
 - Resource protection; and
 - Related environmental considerations.

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The organizational entities that would be transferred to this component are:

From Agriculture: Forest Service.

From Interior:

Bureau of Outdoor Recreation;

Bureau of Land Management;

National Park Service; and

Bureau of Sport Fisheries and Wildlife. .

The Forest Service is a land management agency devoted to the same basic purposes as most of the other land management agencies of the Federal Government. Over 85 percent of its funds are spent on managing 187 million acres of public forest and range lands, a function similar in purpose and scope to that of the Bureau of Land Management. The importance of the national forests as a recreation resource is attested to by 190 million annual visits. The Forest Service not only shares activities with common purposes with the Bureau of Land Management, but also fish and wildlife management with the Bureau of Sport Fisheries and Wildlife, and recreation with the Bureau of Outdoor Recreation and the National Park Service. It also has the Federal Government's principal forest resources research capabilities, which play an essential role in improving the management of all of the Nation's forest resources—Federal, State, and private.

But it is not only the commonality of purposes which justifies placing the Forest Service with other Interior bureaus in the DNR. Common management would enable better planning of timber harvests, better location of facilities to meet recreational demands, and other improvements for more efficient and consistent management of the now separate tracts which make up the aggregate of Federal lands.

The rapidly increasing use of forest lands for timber and forage, recreational areas, management of wildlife, preservation of scenic beauty, and protection of downstream lands from floods and erosion dictates their placement in the DNR, where all competing claims may be balanced. This should result in more effective land management and a greater overall contribution to the public good.

b. Water Resources Administration.—Planning, development, and management of the Nation's water resources are the responsibility of many Federal, State, and local agencies, as well as private interests. There is little dispute that the Federal Government should encourage comprehensive river basin planning in which all interested parties participate to meet immediate and long-range water-related needs. Construction of projects by Federal agencies should be integrally incorporated to fit these plans in proper sequence and timing.

With this objective in mind, the Congress established the Water Resources Council to take the lead in water resources planning, guide the activities of the several Federal agencies, and bring order to water resources policy. While the Council has made progress, it has had limited effectiveness in policy development and guidance of Federal water resources programs due, in part, to its interagency character.

Critical to the realization of an integrated national policy for water resources management and use are the water planning and project evaluation functions. The responsibility for the determination of national water resource policy and the preparation of water resource plans needs to be transferred from the Corps of Engineers (Army), the Soil Conservation Service (Agriculture), and the Bureau of Reclamation (Interior) to the Department of Natural Resources. That Department would then have clear responsibility for evaluating water resources projects for their compliance with national policy and plans and for making decisions as to which projects should be recommended for implementation.

The functions of the Water Resources Administration of DNR are:

Formulation and implementation of national water resources policy;

Assistance (grants) to States;

Water resources planning, development, and management;

Provision of certain outdoor recreation facilities;

Fish and wildlife management;

Flood control and hurricane protection;

Improvement of navigation;

Provision of irrigation and municipal and industrial water supply;

Conservation of soil;

Marketing of electric power from Federal water projects;

Research and informational services; and

Related environmental activities.

The organizational entities and programs that would be transferred to this component are:

From Interior:

Bureau of Reclamation;

Office of Saline Water;

Office of Water Resources Research; and

Power marketing agencies.

From Army: Corps of Engineers—civil functions (policy, planning, and funding).

From Agriculture:

- Soil Conservation Service (including watershed loans and resource conservation and development loans made by the Farmers Home Administration);
- Economic Research Service—natural resource economics research; and
- Agricultural Research Service—soil and water conservation research.

From Water Resources Council: all functions (planning, policy, and grants).

The construction capabilities of the Soil Conservation Service and the Bureau of Reclamation would be more closely integrated and coordinated to accomplish detailed project cost estimating, engineering, and construction.

The planning, project evaluation, and policy formulation functions of the Corps of Engineers would be transferred to DNR. This will allow a single Federal agency, the DNR, to consider all facets of water problems and programs, and their interrelationships with land use and other resource programs and to assess priorities. The Corps civil works program would be funded through the DNR. Regional planning offices of DNR would provide comprehensive river basin planning and overall direction and monitoring of the Corps project planning. The Corps would continue to carry out the design, construction, and operation of projects. This arrangement will retain the opportunity for training military officers and the quick-response construction capability of the Corps to meet mobilization requirements and to provide assistance in times of natural disasters and other emergencies.

The Office of Saline Water and the Office of Water Resources Research would also be included in the Water Resources component of the DNR.

The Secretary of the Department of Natural Resources would receive the statutory powers of the Water Resources Council, including policy formulation, comprehensive river basin planning, and the administration of planning grants to the States.

One of the most significant changes from present organizational and program arrangements will be the centralized development of water resource policy, comprehensive planning, and project evaluation within the DNR. The DNR planning offices, cooperating with State and local interests, would do the multiobjective comprehensive planning and advise as to which potential projects fit properly into regional and national plans. Use will be made of uniform principles, standards, procedures and processes for planning, and evaluation of water and related land resource development projects.

With these consolidations, all of the significant policy formulation, planning, and project evaluation activities associated with water resources projects will be placed in the hands of a single Cabinet officer. This will make it possible for him to shape water resources programs to meet effectively the needs of our Nation in the decades ahead.

c. Energy and Mineral Resources Administration.—Energy is a vital ingredient in our national life. Without it, nearly everything stops—as we discovered in the Northeast blackout several years ago. Energy consumption is growing five times as fast as population, and countless industrial processes depend on increasing amounts of fuels and electric power. Our affluent society has come to depend upon conveniences using energy to a degree unknown a few decades ago.

Insuring an adequate energy supply to meet these future needs, while preserving the quality of our environment, is a fundamental priority for our Nation. The Federal interest in the energy field is all the more sharpened by the fact that more than half of our oil and gas resources, and over one-third of our coal and uranium, are on Federal lands.

The function of the Energy and Mineral Resources Administration are:

- Formulation and implementation of national energy resources policy;
- Development of energy production technology;
- Development of resource development and utilization technology;
- Management of uranium stockpile;
- Production of enriched uranium;
- Ore body and resource delineation and information;
- Resource conservation;
- Supply, demand, and other economic information;
- Mining, recovery, processing, and utilization studies;
- Waste disposal, reuse, recycling, and substitute studies;
- Protection and restoration of mined areas;
- Research and information services;
- Fostering mining health and safety;
- Fostering oil and gas pipeline safety; and
- Related environmental considerations.

The organizational entities and programs that would be transferred to this component are:

From Interior:

- Bureau of Mines;
- Office of Coal Research;
- Office of Oil and Gas;
- Defense Electric Power Administration; and
- Underground power transmission research.

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From Atomic Energy Commission:

Raw materials management;

Uranium enrichment;

Civilian nuclear power and nonnuclear energy programs (policy, planning, and funding); and

Natural resource activities of Peaceful Nuclear Explosives (Plowshare) program (policy, planning, funding, and industry relations).

From Transportation: Office of Pipeline Safety.

Some Federal energy programs are administered by separate agencies which promote particular forms of energy, such as the Bureau of Mines, the Office of Coal Research, or the Atomic Energy Commission. These programs were initiated to meet a specific problem. No responsibility was assumed for considering the impact of one program on the other. It is now time to take steps to assure the adequacy of government organization for formulating a cohesive energy policy to meet future needs.

Since a change in policy regarding one form of energy may profoundly affect competitive forms, energy programs should be organized as a unit. Only in this way can competing interests be adequately evaluated. In the future, certain energy materials may need to be conserved for other purposes, such as the production of plastics. One agency which includes all the energy programs, and is charged with optimizing the use of natural resources, can make the necessary tradeoffs.

International negotiations, such as those with Canada and Mexico to develop a North American energy policy, would be simplified with the establishment of a single energy agency.

Federal energy policy could be better integrated since it would be formulated with all energy activities in mind. Broader scope and greater balance would be given to nationally supported research and development work in the energy field. Finally, an energy organization would help assure more economic and effective use of our total energy resources.

Nonfuel mineral activities of the consolidated agencies would continue to be located with their energy-mineral counterparts, as separation would offer no significant benefits and would unnecessarily disrupt existing organizations. The Bureau of Mines' health and safety activities would be transferred to DNR along with the other programs of that Bureau because of the close interrelationship of health and safety activities to research on mining technology.

Many of the constituent agencies of the "Energy and Mineral Resources" component are presently located in the Interior Department—the major shift involves transfer of the civilian power programs from the AEC.

The Atomic Energy Commission was created in 1946 to handle all aspects of atomic energy. It has been successful in its various missions, including advancing technology to the point where nuclear power is becoming a realistic alternative to other forms of energy. With this fact in mind, certain of the AEC's energy activities should be consolidated with other energy activities in an agency charged with the mission of insuring that the total energy resources of the Nation are effectively used.

The benefits to be obtained from a balanced and integrated power program are the overriding consideration. The time has come when the need to nurture a new energy technology, which was part of the justification for the separate organization of the AEC in 1946, should give way to an organization formed around the purpose to which that technology was directed.

The uranium raw materials and enrichment programs are proposed for transfer to DNR. The DNR would fund and establish policy and priorities for the natural resources related aspects of Plowshare, non-nuclear energy programs, and the development of civilian nuclear power reactors, based upon overall energy needs and competitive resources. However, the AEC will continue to conduct the research, development, and demonstration (including safety) in the latter three programs because of its expertise and facilities, and the close inter-relationship with other nuclear programs conducted by AEC. Section 201(a) of Public Law 92-84, August 11, 1971, amended the Atomic Energy Act of 1954, extending AEC's research authority to include nonnuclear energy research. Transfer of this authority is also necessary to assure DNR's leadership role in Federal energy matters. The AEC will continue its program of controlled thermonuclear research until such time as the scientific feasibility has been demonstrated.

d. Oceanic, Atmospheric, and Earth Sciences Administration.—Federal efforts to increase knowledge of the physical environment and to improve our ability to predict and modify geophysical phenomena, would be brought together into one component. So organized, these programs can better serve to help us understand the earth, its waters and atmosphere, and the physical processes that govern our planet. There is now a realization of the interactions of the oceans, the atmosphere, and lands in predicting weather and understanding the causes of natural disasters.

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The functions of the Oceanic, Atmospheric, and Earth Sciences Administration are:

- National weather services;
- Resource and environmental remote sensing studies;
- Operation of environmental satellites;
- Geologic and soil investigations and surveys;
- Water data collection and investigations;
- Environmental data services;
- Earth hazard programs (earthquake, volcano, landslides, etc.);
- Predictions of natural hazards and warnings for public health and safety;
- Topographic and other mapping and charting services;
- Ocean and lake surveys, investigations, and research;
- Fishery resources management, research, and assistance to industry;
- Research and information services; and
- Technical and financial assistance to States.

The organizational entities that would be transferred to this component are:

From Interior: Geological Survey.

From Commerce: National Oceanic and Atmospheric Administration.

Both the Geological Survey and NOAA combine scientific skills with data gathering and dissemination services required by many different users. Much of the activity of both agencies is carried out for other Federal agencies. In some earthquake, hydrology, and mapping activities, they conduct similar and sometimes overlapping operations. These duplications should be eliminated by bringing the two organizations together. For example, there is no comprehensive system in a single organization for the forecasting of extreme water supply conditions (floods and droughts). The USGS keeps data on ground water levels, reservoir storage, river flow, river stage, and snow cover. At the same time, NOAA gathers similar data to provide forecasts of river flow, precipitation, and warnings of flood and low water.

There are also major opportunities for consolidating and improving related surveying, mapping, and charting programs that now exist within these organizations.

Because the services of NOAA are widely used, no compelling logic dictates its location in any specific department. However, when NOAA

is combined with the Geological Survey and related science service activities, the resulting entity has closer ties to the proposed DNR than to any other department. For example, the marine resource programs of NOAA are related to DNR responsibilities regarding the development and use of offshore oil, gas, and other mineral resources. For that reason, an "Oceanic, Atmospheric, and Earth Sciences" component of the DNR is proposed to emphasize that this agency serves all components of the new Department, as well as other government agencies and private users.

e. Indian and Territorial Affairs Administration.—The social, cultural, and economic needs of Indians, Alaskan Natives, and territorial peoples are acute and require special handling. The President has enunciated his policy of providing Indians with greater self-determination over the management of their affairs. The challenge is to focus the resources of the Federal Government to meet the unique needs of different cultures in ways that allow the recipients to determine their own priorities.

The functions of Indian and Territorial Affairs Administration are:

- Education;
- Natural resource and economic development;
- Public safety;
- Job training and placement; and
- Community services and facilities.

The organizational entities that would be transferred to this component are: From Interior—Office of Territories; Bureau of Indian Affairs.

The Indian and territorial programs are included in the Department of Natural Resources at this time because of their historical association with the natural resource functions of the Department of the Interior. Most Indians in the past have rejected proposals for transfer of the Indian programs to other departments. Any transfer proposal will have the full involvement and participation of the Indian and territorial peoples. These programs therefore are proposed for inclusion in the Department of Natural Resources, subject to further study.

2. BUDGET AND MANPOWER SUMMARY

Total fiscal year 1972 outlays for the proposed Department of Natural Resources, based on the President's 1973 budget, would be approximately \$6 billion. Permanent employment would total approxi-

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mately 106,500. Distribution by major program components would be approximately:

	<i>1972 outlays (dollars in millions)</i>	<i>Permanent employment</i>
Land and recreation resources	\$1,535	35,697
Water resources	2,536	28,286
Energy and minerals resources	782	6,089
Oceanic, atmospheric, and earth sciences	427	20,454
Indian and territorial affairs	657	14,272
Other	28	1,677
Total	\$5,965	106,475

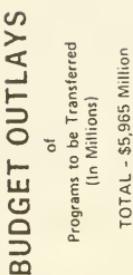
3. FIELD ORGANIZATION

Over 3,000 field offices from the various components proposed for inclusion in DNR will comprise the Department's field organization. The offices include research laboratories, weather stations, national forests and parks, wildlife refuges, public domain lands, water development projects, and fish hatcheries. The heads of these various field stations and offices will be responsible for the management and execution of the functions assigned them in accordance with policies and criteria established by the Secretary and his program administrators. Their field counterparts are the regional director and the regional administrator.

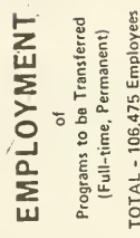
The field organization has key importance for the Department of Natural Resources. It is at the field office that the public has its principal point of contact with the Department. Of equal importance, the Department of Natural Resources deals to a great extent with problems of a regional nature. The particular mission of this Department relates to land, sea, and air values which frequently have an initial effect on the adjacent geography, before any national effect is felt. Thus, in implementing its program responsibilities, the Department of Natural Resources has a particular need to "decentralize." Many natural resource programs must be coordinated and implemented at the State and local levels according to the particular needs, problems, and opportunities of each region. State and local governments must be encouraged to participate in the overall resource planning and to mesh their assistance, management, and development into the national strategies.

a. Regional Directors.—The Department's Washington leadership makes and interprets policy, establishes national priorities, promulgates standards, criteria, and procedures for all levels of field operation, and provides for overall program administration. Most natural resources program execution takes place in the field and requires direction by key regional officials.

The Proposed
Department of Natural Resources



ALL DATA - FISCAL YEAR 1972



FEBRUARY, 1972

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The regional director will be appointed by the Secretary and will be delegated selective authority to perform regional planning which cuts across program lines, to coordinate operations, and to resolve conflicts between programs. The regional director is responsible for facilitating the coordinated implementation of DNR's programs within his region. Therefore, he will recommend or implement changes in organization, staffing patterns, and other related administrative matters, within the limitations of available resources and of priorities and plans established by the Secretary and his central program administrators. As the Secretary's field representative, he will also be the chief administrative official in the region with authority over personnel, space, budget, housekeeping services, data systems, and evaluation of regional services.

The regional director will serve as the Department's representative in relationships with Governors, other State and local officials, and public interest and clientele groups. He will represent his Department on the Federal Regional Council and other regional co-ordinating groups.

b. Regional Administrators.—Line authority over programs representing the five broad program areas (with the likely exception of the Indian and Territorial Affairs Administration) will be exercised by the regional administrators. They will report directly to their counterparts in Washington. Regional administrators will generally be responsible for the regional operations within their respective program areas. They will be held accountable for the day-to-day program decisions and operations. The magnitude of a regional administrator's responsibility will vary significantly from one administration to another, depending upon the nature of the regional programs involved.

c. Regional Boundaries.—The oversight of the Department's extensive field organization requires, to the extent practicable, regional boundaries coterminous with those of other departments and agencies administering related activities. Under the Federal assistance review (FAR) plan, 10 common regional boundaries have been established for most Federal domestic departments and agencies, including the Department of the Interior. The Secretary of the Interior has directed that his Department conform with the common regional boundaries by July 1, 1972, with the possible exception of the Bureau of Indian Affairs which is receiving special consideration.

While all programs and functions of the DNR may not require a regional structure, such an organizational level is necessary to carry out effectively most of the missions of the Department. The proposed units of the Department of Natural Resources have developed over the years their respective regional organizations so as best to accommodate their individual administrative needs. In the past, no overall

departmental standard or guidance dictated common regional organizations or boundaries; hence, no two of the existing regional boundary patterns are alike. The current national emphasis on problems of the environment, management of natural resources, and the quality of life has increased the need for a coordinated and integrated approach to insure that natural resources planning, acquisition, development, and use are consistent with environmental considerations and other national goals.

The basic field structure of DNR generally will conform to the 10 common regional boundaries with appropriate modification to allow for special natural resource considerations. An exception might be the combining of contiguous regions, such as Regions II and III in the Northeast, where insufficient program activities so dictate. The regional headquarters for the DNR will be the same as for other departments and agencies conforming with the 10 standard regions, except in those instances where natural resource management needs can be more effectively met by use of a different headquarters location within the region.

D. MANAGEMENT OF THE NEW DEPARTMENT

The management of the Department of Natural Resources will be achieved through effective management techniques and methods. In addition, the proposed reorganization, by establishing a clear purpose for the Department and by bringing together programs of similar purpose, will further enhance manageability.

1. PERSPECTIVE

The management concept for the four new Departments is based upon three key principles derived from the recommendations of the President's Advisory Council on Executive Organization. These are:

(a) That each Department should represent a broad purpose and have sufficient breadth to accomplish its mission.

(b) That the Secretary should be the sole repository and source of all authority within his Department.

(c) That, to the maximum extent practicable, authority and responsibility for the operation of each Department's programs should be decentralized to the field.

The implementation of these principles will produce an organization fully responsive to the needs of the people. The proposed legislation for the establishment of the new Departments is based on these principles.

2. CLARITY OF PURPOSE

By creating a Department of Natural Resources, the objective of conserving and managing the Nation's natural resources becomes clear-

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ly the purpose of a single department of government for the first time. Until now, this important purpose was shared by several major departments, so that the President was the only person who had full responsibility, and he had to be concerned with coordinating the various programs. Now, the major responsibility for natural resources functions of the Federal Government will be vested in the Secretary of the Department of Natural Resources and he can be held accountable for results.

3. KEY OFFICIALS

The key officials of the Department are as follows:

(a) The Secretary who, once he has selected his key officials, will concern himself primarily with the strategy for his Department, its goals and priorities, and its overall performance, and will be its spokesman to the President, the Congress, and the public.

(b) The Deputy Secretary who, as the "alter ego" of the Secretary, serves as the general manager for the Department with responsibility for allocating resources, assessing the quality of program performance, and harmonizing the efforts of the line and staff elements.

(c) Two Under Secretaries to serve as staff arms of the departmental leadership in such areas as the development of overall policy, strategy, and plans for implementation, and to be responsible for organization, business management, information systems, resources deployment, and the efficiency and effectiveness of the Department.

(d) An Assistant Secretary for Research and Development who, in direct support of the departmental leadership, guides, promotes, evaluates, and coordinates the research, technology, and technology transfer activities of the Department.

(e) Administrators with line authority over programs representing broad subdivisions of the Department. There would be an administrator for each of the first tier organizations; for example, Land and Recreation Resources Administration, and Energy and Mineral Resources Administration. These key officials appointed by the President and confirmed by the Senate will be accountable for the success or failure of those programs under their purview. They will be the managers and implementors of the Department's programs.

4. ADEQUATE AUTHORITY

The Secretary must have wide flexibility to manage his Department effectively. This depends on the Secretary having:

- Statutory authority rather than his subordinates;
- Authority to organize his Department;
- Authority to appoint his subordinates; and
- An appropriate appropriation structure.

Statutory Authority.—The Secretary is responsible for his Department and he is held accountable. Thus, statutory authority regarding his Department must reside with him rather than his subordinates. He can then delegate authority to them with commensurate accountability for results. The proposed reorganization legislation will place all statutory authority in the Secretary.

Authority To Organize.—The Secretary must be able to organize his Department in a manner that will group interdependent programs with similar missions so that the Department's objectives can be effectively and efficiently achieved. He must be able to centralize policy formulation and decentralize operations so that program outputs may be delivered on a timely basis for the benefit of the people. The proposed reorganization legislation will give the Secretary power to organize his Department.

Authority To Appoint.—The Secretary must be able to select subordinates. The Secretary is held accountable for his Department and he should have the authority to run it. The proposed reorganization legislation will give him this capability.

Appropriation Structure.—The existing multitude of appropriations to the various constituent units of a department forms an obstacle to effective management. It causes compartmentalization and rigidity—making it difficult to cope with changing conditions and shifting priorities. An appropriation structure for the new Department will be proposed to help correct this situation.

5. ADEQUATE STAFF

The Secretary must have adequate staff to effectively manage his Department. The Secretary especially needs staff for:

- Planning, policy formulation, program evaluation; and
- Establishment and operation of management systems.

Planning, Policy Formulation, and Program Evaluation.—Attainment of departmental goals will be enhanced by a plan of operation which sets concrete objectives for each element of the organization; milestones of progress; clear and specific assignments of responsibility; and a reporting system for regularly monitoring progress. As part of this anticipatory planning process, programs and policies can be formulated and evaluated and recommendations made to the Secretary. This will decrease the need to adopt ad hoc policies in response to crises and assist the Secretary in keeping on top of his Department.

The Secretary needs staff that is concerned with the entire Department so that policies are consistent and tradeoffs among programs can be considered. He needs staff who can assist and work with the program administrators to solve a host of problems so that only the larger problems need the attention of the Secretary.

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While the proposed reorganization is not necessary for planning, policy formulation, and program evaluation, the reorganization will bring together related programs with similar objectives so that a more effective job can be done.

Management Systems.—Effective management systems for the control and improvement of departmental operations will enable the Secretary and other top managers to make the best use of manpower, funds, and facilities. Such systems will also facilitate corrective actions where program execution needs improvement.

6. APPROPRIATION STRUCTURE

The new Department of Natural Resources will require a new appropriation structure, merging and consolidating the accounts now in use for the activities being moved to the new Department. The revised appropriation structure should assist management effectiveness and provide the flexibility to respond to rapidly changing conditions.

To facilitate effective management, the structure must correspond to the organization of the new Department. Further, appropriations should be made to the Secretary, with some appropriation items identified to the level of the first major program grouping of the Department. With the concurrence of the Congress, this should result in a simplification of the appropriation structure and facilitate legislative review of the President's budget requests.

The existence of many relatively small "pockets" of appropriations, transferred from the existing departments and agencies, could be a handicap to the new Department in integrating its operations as well as a handicap to the Congress and the public in understanding the Federal budget. It is not the intent of the measures discussed here to freeze an appropriation pattern for all time. An appropriation structure is subject to change by Congress from year to year, and indeed should be changed as programs and organizations are modified.

It is contemplated that two principal appropriation accounts will be proposed for each major program grouping of the Department. The first includes financing for day-to-day operating expenses and other activities for which the requirements for a specific year can be readily estimated. This 1-year appropriation would facilitate annual congressional review.

The second proposed appropriation would cover funds for construction, land acquisition, project-oriented research, and certain types of loan and grant activities for which there is a need for longer term availability. In these cases, "no year" appropriations would be proposed; that is, such amounts would be available until expended.

In addition, the financial accounts of the Department will continue to provide separately for the major trust funds and for the various public enterprise funds transferred to the Department. To the extent

that the Department receives and administers "earmarked" funds which have been created by statute, the statutory provisions would be observed; e.g., the Land and Water Conservation Fund and the Migratory Bird Conservation Fund. A working capital fund at the departmental level to finance departmentwide administrative services is also desirable. Service funds could also be established where necessary to merge accounts which provide for services performed for others at a charge approximating cost, or which continue earmarking now required by law in connection with programs of the Department.

E. RELATED CONSIDERATIONS

1. RELATIONSHIP TO STATE AND LOCAL GOVERNMENTS, THE PUBLIC, AND OTHER FEDERAL AGENCIES

The basic concept of the President's reorganization plan is to enable the Government to do a better job in meeting the needs of the people. This is the primary reason for organizing the four new Departments around the major purposes of Government. The responsibility for solving problems related to the conservation, development, and utilization of natural and energy resources will be focused and concentrated in the Department of Natural Resources. Most of the major natural resources and related environmental programs will be brought together in one governmental organization, and the Secretary will be held accountable.

State and local governments and the public will be able to do business relating to natural resources with one department rather than several agencies. Thus, the reorganization will simplify their relationship to the Government. Furthermore, it will be possible to assist them more efficiently and effectively.

Federal interagency coordination and relationships also should be significantly improved. Questions regarding such matters as energy and water resources policies and programs can be resolved within one responsible and accountable department.

However, because of the interrelatedness of the various sectors of modern society and some commonality of purpose between the Department of Natural Resources and other Federal agencies, coordination will continue to be required. For example, the responsibilities of the Environmental Protection Agency relating to air and water pollution, pesticides, and disposal of solid wastes have an impact on the development and utilization of natural resources. The weapons development program and technical expertise of the Atomic Energy Commission bear some relationship to the civilian nuclear power programs proposed for transfer to DNR. Forest, water, and energy resources contribute to economic and community development.

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All factors considered, external relationships should be improved greatly with a corresponding improvement in the effectiveness of the total Federal-State-local government-private sector effort for achievement of overall national goals.

2. RELATIONSHIP TO REVENUE SHARING PROPOSALS

The revenue sharing plan proposed by the President will provide funds for State and local governments in a way that will:

- Assign both revenues and management discretion to those levels of government closest to the problem;
- Alleviate the fiscal problems of State and local governments by providing additional unrestricted revenues through general revenue sharing and by eliminating the present matching requirements of the categorical grants being absorbed into special revenue sharing; and
- Make State and local elected officials responsible for capably dealing with their problems.

Under the President's proposal, only those existing grant programs for which there is a clear, continuing national requirement will be maintained; for example, the Land and Water Conservation Fund which provides grants for planning, land acquisition, and development of land, water areas, and facilities needed to provide people with recreation opportunities.

Characteristically, the programs recommended for conversion to special revenue sharing programs deal with top priority national problems which have State and local solutions and benefits. These are in six broad functional areas: transportation, education, urban and rural community development, manpower training, and law enforcement. Of the programs to be transferred to the Department of Natural Resources, four categorical grant programs are proposed for conversion to the special revenue sharing program. These are the Forest Service's grants for forestry assistance (\$25 million) and tree planting assistance (\$1 million) and the Soil Conservation Service's grants for Resources Conservation and Development (\$4 million) and the Great Plains Conservation program (\$11 million). These are planned for conversion to special revenue sharing for rural community development.

These four grant programs will continue in the Department of Natural Resources until the special revenue sharing legislation is enacted. However, if the revenue sharing legislation is enacted prior to the establishment of the Department of Natural Resources, the four grant programs would not transfer to the new Department. The revenue sharing program for rural community development will be administered by one of the existing departments or the new Department of

Community Development, depending on which is in existence at the time. In any event, appropriate arrangements would be made to serve existing Federal commitments.

No changes are contemplated in the revenue sharing associated with receipts from the sale or lease of federally owned resources such as land, timber, forage, and minerals, or from excise taxes on hunting and fishing equipment.

3. SAFEGUARDS FOR FEDERAL PERSONNEL

The proposed governmental reorganization will directly involve seven of the present Cabinet Departments and several independent agencies. Programs and services will be grouped according to similarity of purpose. The changes proposed are not in what the Government does, but, rather, in the manner in which the Government's business is conducted. These changes, while primarily affecting programs, also will affect each Federal employee and it is expected that they will participate fully in accomplishing the reorganization. To that end, current plans include sound provisions to insure that disruption to employees will be kept to an absolute minimum, that cutbacks in staffs, where necessary, will be taken care of by attrition, and that actions which could adversely affect employees are to be avoided.

More specifically, it can be stated that no employee will be separated because of the reorganization. In addition, the reorganization bills include a provision that no employee will be reduced in classification or compensation as a result of the plan for 1 year after the reorganization becomes effective. All movements of functions and jobs will be governed by current law and Civil Service Commission regulations, with full employee protection and appeal rights. From another standpoint, the reorganization can be viewed as improving the range of opportunities for promotion and career development, as more broadly conceived program management and staff positions evolve in the new departments. Full consideration is being given to the impact of reorganization on the existence of union recognition and agreements, in light of possible changes in unit structure that may result from transfers, realignments, and combinations.

The reorganization bills provide salary retention for an Executive Level Officer (Levels I to V) who is transferred to a new department and is assigned to a position with duties comparable to those he performed immediately preceding the transfer, for the duration of his service in the new position. This provision permits the proposed departments to retain the services of its experienced executives, who might seek other positions if they were to suffer a loss in pay, and thus provides for essential continuity of operations during the formative phases of the Department.

SUMMARY OF REVISIONS

Analysis of Differences Between This Department of Natural Resources Bill and the Comparable Bill Submitted on March 25, 1971

This bill is identical with the earlier bill except as noted herein—

1. Section 301(c)(2) has been revised by deleting the functions of the Coastal Engineering Research Center and the Board on Coastal Engineering Research which would have been transferred to the Department of Natural Resources. These two units are directly connected with activities that will continue to be accomplished by the Corps of Engineers, namely, research and development in order to improve the design and maintenance of coastal engineering works and to provide consultative advice on coastal engineering projects and design.

2. A new subsection (h) has been added to section 301. This is a technical amendment. Subsection (e) of section 301 transfers the Soil Conservation Service to the Department of Natural Resources. This new subsection is designed to obviate any doubt that the authority with respect to watershed and other loans will continue to be available to the Service. It transfers to the Secretary the loan functions carried out by the Farmers Home Administration for resource conservation and development and watershed protection.

3. Section 301(k) (as relettered) has been slightly revised to reflect the authority granted on August 11, 1971 (sec. 201(a) of Public Law 92-84) which extended AEC's research authority to include nonnuclear energy research. The revision also clarifies the bill's original intention that only those portions of the Plowshare program relating to natural resources are transferred.

4. Section 411, relating to the acquisition of special purpose facilities, has been rewritten to clarify its purpose and to assure the preservation of the present role of the General Services Administration with respect to the acquisition of other facilities. This is considered to be a purely technical revision of this section.

5. Section 413 has been slightly revised but the changes are purely technical and self-explanatory.

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6. Former section 417, relating to printing, has been omitted in response to congressional preference to maintain the *status quo* with respect to printing authority.

7. Former section 426, relating to no-year appropriations, has been deleted in view of congressional preference to deal with this matter in other legislation.

A BILL

To promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Natural Resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Natural Resources Act."

TITLE I

Declaration of Purpose

SECTION 101. (a) (1) The Congress hereby declares that the general welfare of the Nation requires that its limited natural resources, including energy sources, be conserved, managed, and utilized so as to help achieve the highest practicable environmental quality, harmony between man and nature, economic and community development, individual fulfillment, and security of the American people of this and future generations.

(2) The Congress further declares that, while recognizing the substantial responsibility of State and local governments, private organizations and individuals for natural resources, the Federal Government has a national responsibility to practice, with respect to the natural resources it administers, and to foster the practice of, with respect to natural resources administered by others, appropriate conservation, management and utilization policies.

(b) To best achieve these objectives, improve Government operations, and assure the coordinated and effective administration of natural resource programs, the Congress finds that it is necessary to establish a Department of Natural Resources to bring together and provide leadership and direction for all those Federal activities which most directly relate to the discovery, assessment, preservation, development, utilization, future adequacy, and enjoyment of natural resources, including energy sources, achieving a sound balance between preservation and development. The Congress further finds that it is appropriate for the Department of Natural Resources to administer the trust responsibility for, and selected programs to assist, the Indians, Alaska natives, and territorial peoples.

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(c) Among other things it shall be the function of the Department of Natural Resources, through providing national leadership and establishing effective working relationships with State and local governments, public and private institutions and individuals, and other Federal agencies, to foster the conservation, management, and utilization of natural resources; help assure maintenance of the ecological balance necessary to sustain human and unique plant and animal life systems; explore and survey the earth, the atmosphere, and the oceans; conduct scientific research and encourage development of technology to conserve and efficiently utilize natural resources with minimum impact on the environment; undertake programs for the optimal development of various energy-sources, including nuclear power; provide physical and economic data, maps, charts, and hazard warnings; manage Federal lands, including national parks and forests, and minerals; preserve irreplaceable park, wilderness, scientific, historic, fish and wildlife resources; assist in providing outdoor recreational opportunities; and undertake programs for the conservation, management, and utilization of land, water, forest, range, mineral, fish and wildlife resources; and to provide for the fulfillment of Federal trust responsibilities over land and other resources of Indians, Alaska natives and territorial peoples and assist such peoples to achieve their cultural and economic objectives.

TITLE II

Establishment of Department

SECTION 201. (a) There is hereby established at the seat of government an executive department to be known as the Department of Natural Resources (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Natural Resources (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Secretary shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level I of the Executive Schedule (5 U.S.C. 5312). The Department shall be administered under the supervision and direction of the Secretary, who shall be responsible for the efficient and coordinated management of the Department.

SEC. 202. (a) There shall be in the Department a Deputy Secretary who shall be appointed by the President by and with the advice and consent of the Senate and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level II of the Executive Schedule (5 U.S.C. 5313).

(b) There shall be in the Department two Under Secretaries who shall be appointed by the President by and with the advice and consent of the Senate and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level III of the Executive Schedule-(5 U.S.C. 5314).

(c) There shall be in the Department a Land and Recreation Resources Administration, at the head of which shall be an Administrator of Land and Recreation Resources; a Water Resources Administration, at the head of which shall be an Administrator of Water Resources; an Energy and Mineral Resources Administration, at the head of which shall be an Administrator of Energy and Mineral Resources; an Oceanic, Atmospheric, and Earth Sciences Administration, at the head of which shall be an Administrator of Oceanic, Atmospheric, and Earth Sciences; and an Indian and Territorial Affairs Administration, at the head of which shall be an Administrator of Indian and Territorial Affairs. The Administrators appointed pursuant to this subsection shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level III of the Executive Schedule (5 U.S.C. 5314).

(d) There shall be in the Department one Assistant Secretary and a General Counsel who shall be appointed by the President by and with the advice and consent of the Senate and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level IV of the Executive Schedule (5 U.S.C. 5315).

(e) There shall be within the Department not more than twenty-five additional officers, as determined from time to time by the Secretary, who shall be appointed by the Secretary and shall receive compensation at the rate now or hereafter prescribed for offices and positions at Level IV or Level V of the Executive Schedule (5 U.S.C. 5315 or 5316), as the Secretary may specify.

(f) Officers appointed pursuant to this section shall perform such functions as the Secretary shall specify from time to time.

SEC. 203. The Deputy Secretary (or in the absence or disability of the Deputy Secretary or in the event of a vacancy in the Office of the Deputy Secretary, an Under Secretary, Administrator, Assistant Secretary, or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for and perform the functions of the Secretary during any absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary.

TITLE III

Transfers

SECTION 301. Subject to the remaining sections of this title, there are hereby transferred to and vested in the Secretary:

(a) All of the functions of the Secretary of the Interior, the Department of the Interior, and all officers and components of that Department.

(b) Such of the functions of the Secretary of Commerce, the Department of Commerce, and officers and components of that Department, as relate to or are utilized by the National Oceanic and Atmospheric Administration.

(c) (1) Such of the functions of the Secretary of Defense, the Secretary of the Army, the Assistant Secretary of the Army for Civil Works, and the Chief of Engineers and the Corps of Engineers of the Department of the Army, as relate to or are utilized for civil works and civil regulatory functions: *Provided*, That all civil works construction, operation and maintenance, flood and coastal emergencies, and related activities, which shall be funded by the Secretary, shall be accomplished through and under the direction of the Secretary of the Army and the supervision of the Chief of Engineers.

(2) All of the functions of the Board of Engineers for Rivers and Harbors, ~~Coastal Engineering Research Center, Board on Coastal Engineering Research, Mississippi River Commission, and California Debris Commission.~~

(d) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Forest Service.

(e) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Soil Conservation Service.

(f) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Natural Resources Economics Division of the Economic Research Service.

(g) Such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Soil and Water Conservation Division of the Agricultural Research Service.

(h) *Such of the functions of the Secretary of Agriculture, and the Department of Agriculture, as relate to or are utilized by the Farmers*

Home Administration under section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)), and under sections 4 and 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004 and 1006(a)).

(h) (i) Such of the functions of the Secretary of Transportation, the Department of Transportation, and officers and components of that Department, as relate to or are utilized for pipeline safety.

(i) (j) All of the functions of the Water Resources Council.

(j) (k) Such of the functions of the Atomic Energy Commission, and officers and components of that Commission, as relate to or are utilized for the following:

(1) the civilian power and non-nuclear energy programs: Provided, That all research and development programs and related activities, which shall be funded by the Secretary, shall be accomplished through and under the direction of the Commission;

(2) the raw materials program;

(3) the uranium enrichment and related distribution activities constituting part of the Commission's production program; and

(4) the natural resources activities of the Plowshare program: Provided, That all general research and development, device development, explosive effect tests, development of fielding systems, project execution, and related activities, which shall be funded by the Secretary, shall be accomplished through and under the direction of the Commission.

SEC. 302. Functions vested by subchapter II of chapter 5 of title 5 of the United States Code in hearing examiners employed by any department, agency, or component thereof, the functions of which are transferred under the provisions of this Act, shall be vested in hearing examiners of the Department.

SEC. 303. In any case in which the head of a department or agency is required to consult or obtain the approval of the head of another department or agency as a condition to his performance of a function and the functions of both with respect to the matter involved have been transferred to the Secretary, the requirement for such consultation or approval is hereby terminated.

SEC. 304. Except as provided in the next sentence, the personnel employed in connection with, and the personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available in connection with the functions transferred to the Secretary by this Act are, subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), transferred to the Secretary for appropriate allocation. Personnel positions expressly created by statute or Reorganiza-

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tion Plan, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation at the rate prescribed for offices and positions at Level I, II, III, IV, or V of the Executive Schedule (5 U.S.C. 5312-5316) on the effective date of the Act shall be subject to the provisions of sections 306 and 501 of this Act.

SEC. 305. Except as provided in section 306, transfer of non-temporary personnel pursuant to this title shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer.

SEC. 306. Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5 of the United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in the new position.

SEC. 307. With respect to the programs and activities of the Atomic Energy Commission herein transferred, the functions of the Secretary shall be carried out under the following provisions of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), and the Secretary shall perform the functions of the Commission set forth therein with respect to such transferred programs and activities, except as otherwise specified below:

- (a) Chapter 1, "Declaration, Findings and Purpose".
- (b) Chapter 2, "Definitions", except that the functions of the Commission set forth in subsections j (extraordinary nuclear occurrence), v (production facility), z (source material), aa (special nuclear material), and cc (utilization facility) of section 11 shall remain with the Commission.
- (c) The following provisions of chapter 3, "Organization": sections 26 (General Advisory Committee), and 27 (consultation with the Department of Defense on atomic energy matters; functions of the Department of Defense).
- (d) Chapters 4, "Research", and 5, "Production of Special Nuclear Material".
- (e) The following provisions of chapter 6, "Special Nuclear Material": clauses 53a (ii) and (iii) (making available and distributing special nuclear material); subsection 53c (sale or lease, etc., of special nuclear material, enrichment sources, sales prices, agreements with licensees, use charges); subsection 53d (use charge for leased special nuclear material); subsection 53f (distribution of special nuclear material); section 54 (foreign distribution of special nuclear material);

section 55 (acquisition of special nuclear material); section 56 (guaranteed purchase prices); subsection 57c (limitations on distributions of special nuclear material); and section 58 (Joint Committee review).

(f) The following provisions of chapter 7, "Source Material": section 63 (domestic distribution of source material), except the authority with respect to the issuance of licenses and of criteria governing such issuance; section 64 (foreign distribution of source material), except the authority to make the determination that the activity will not be inimical to the interests of the United States; section 65 (reporting); section 66 (acquisition); and section 67 (operations on lands belonging to the United States).

(g) Chapter 8, "Byproduct Material", except the authority of the Commission with respect to issuance of licenses, establishing exemptions from licensing, and determinations under subsection 82b as to whether foreign distributions would be inimical to the common defense and security.

(h) In chapter 9, "Military Applications of Atomic Energy", the authority in clause 91b (1) relating to delivery of enriched uranium to Department of Defense.

(i) In chapter 11, "International activities", sections 121 (effect of international arrangements) and 122 (policies contained in international arrangements).

(j) In chapter 12, "Control of Information", subsections 144a (international cooperation pursuant to an agreement for cooperation); 145b (restriction on access to Restricted Data), except that the Commission shall make the determinations relative to access to Restricted Data; and 146b (power to control or restrict dissemination of information).

(k) In chapter 14, "General Authority", subsections 161a (advisory boards), c (investigations, subpoenas), d (appointment and compensation of employees), e (acquisition and construction of facilities, etc.), f (utilization of services of others), g (acquisition and disposal of property), k (carrying of firearms), m (materials transactions with licensees), o (reports and records) except with respect to licensed activities, p (rules and regulations), q (easements), r (utility and related services), t (contracts implementing agreements for cooperation), u (long-term contract authority), and v (contracts for producing or enriching special nuclear material); and sections 162 (contract exemption authority), 163 (service of advisory committees), 164 (electric utility contracts), 165 (proscribed contract practices), 166 (Comptroller General audit), 167 (claims settlements), 168 (payments in lieu of taxes), 169 (no subsidy), and 170 (indemnification and limitation of

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liability) insofar as it authorizes and applies to agreements of indemnification with contractors.

(l) In chapter 15, "Compensation for Private Property Acquired", sections 171 (just compensation), 172 (condemnation of real property), and 174 (Attorney General approval of title).

(m) In chapter 17, "Joint Committee on Atomic Energy", section 202.

(n) In chapter 18, "Enforcement", section 229 (authority to issue trespass regulations), which shall apply to any facility, installation, or real property subject to the jurisdiction, administration, or in the custody of the Secretary and utilized in carrying out any of the programs and activities of the Atomic Energy Commission herein transferred; section 230 (photographing, etc., of Commission installations), in which the words "property subject to the jurisdiction, administration, or in the custody of the Commission," shall be deemed to include property subject to the jurisdiction, administration, or in the custody of the Secretary and utilized in carrying out any of the programs and activities of the Atomic Energy Commission herein transferred; and section 232 (injunction proceedings).

(o) In chapter 19, "Miscellaneous", sections 251 (reports to Congress) and 261 (appropriations).

SEC. 308. No license under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) shall be required for the conduct, by the Secretary or by persons under contract with and for the account of the Secretary, of the programs and activities herein transferred from the Atomic Energy Commission to the Secretary. In the conduct of such programs and activities, the Secretary shall establish standards and procedures for radiological protection of the public health and safety and the safeguarding of the national defense and security that are consistent with those established by the Commission to govern its own activities. Such standards and procedures shall be established with the advice and concurrence of the Atomic Energy Commission.

SEC. 309. With respect to the programs and activities of the Atomic Energy Commission herein transferred, the Secretary shall have all the rights, powers, and duties of the Commission under section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), in the case of inventions and discoveries, useful in the production or utilization of special nuclear material or atomic energy, made or conceived in the course of or under any contract, subcontract, or arrangement entered into with or for the benefit of the Secretary, to the same extent as if entered into with or for the benefit of the Commission.

SEC. 310. (a) The Commissioned Officer Corps of the National Oceanic and Atmospheric Administration shall become the Commissioned Officer Corps of the Oceanic, Atmospheric, and Earth Sciences

Administration (hereinafter referred to as the "Commissioned Officer Corps of OAESA"). Members of the Corps (hereinafter referred to as "commissioned officers of OAESA"), including those appointed hereafter, shall be entitled to all rights, privileges, and benefits heretofore available under any law to commissioned officers of the National Oceanic and Atmospheric Administration, including those rights, privileges, and benefits heretofore accorded by law to commissioned officers of the former Environmental Science Services Administration and to commissioned officers of the former Coast and Geodetic Survey.

(b) The Secretary may appoint one of the commissioned officers of OAESA from the active list to one of the positions at Level IV or V of the Executive Schedule established pursuant to subsection 202(e) of this Act. Such appointment shall create a vacancy on the active list; and while holding such position, the officer shall have rank, pay, and allowances not exceeding those of a vice admiral.

(c) The Secretary may designate two commissioned officers from the active list to serve at any one time as the designated heads of two principal constituent organizational entities of the Oceanic, Atmospheric, and Earth Sciences Administration, or the Secretary may designate one such officer as the head of such an organizational entity and the other as the head of the Commissioned Officer Corps of OAESA. Any such designation shall create a vacancy on the active list and the officer while serving under this subsection shall have the rank, pay, and allowances of a rear admiral (upper half).

(d) Any commissioned officer of OAESA who has served under (b) or (c) and is retired while so serving or is retired after the completion of such service while serving in a lower rank or grade, shall be retired with the rank, pay, and allowances authorized by law for the highest grade and rank held by him; but any such officer, upon termination of his appointment in a rank above that of captain, shall, unless appointed or assigned to some other position for which a higher rank or grade is provided, revert to the grade and number he would have occupied had he not served in a rank above that of captain and such officer shall be an extra number in that grade.

TITLE IV

Definitions and Administrative Provisions

SEC. 401. (a) As used in this Act—(1) references to "function" or "functions" shall be deemed to include references to duty, obligation, power, authority, responsibility, right, privilege, and activity, or the plural thereof, as the case may be; and (2) references to "perform" or "performance," when used in relation to functions, shall be deemed to include the exercise of power, authority, rights, and privileges.

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(b) Any reference in this Act to any provision of law shall be deemed to include, as appropriate, references thereto as now or hereafter amended or supplemented.

SEC. 402. (a) The Secretary is authorized to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(b) The Secretary shall engage in such policy planning and perform such program evaluation analyses and other studies as may be necessary to promote the efficient and coordinated administration of the Department and properly assess progress toward the achievement of its missions.

SEC. 403. (a) The Secretary may delegate any of his functions to such officers and employees of the Department as he may designate, and may authorize such successive redelegations of such functions as he may deem to be necessary or appropriate.

(b) The Secretary may, from time to time, establish, alter, rename, or discontinue such organizational units or components within the Department as he may deem to be necessary or appropriate, but such authority shall not extend to the discontinuance of administrations or other organizational units or components expressly established within the Department by this Act or by any future Act or Reorganization Plan.

SEC. 404. The Secretary is authorized to establish, alter, or discontinue and to maintain such State, regional, district, local, or other field offices as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

SEC. 405. The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions, now or hereafter vested in him and to prescribe their functions.

SEC. 406. The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5 of the United States Code.

SEC. 407. The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as he may deem appropriate for the purpose of consultation with and advice to the Secretary in the performance of his functions. Members of advisory committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or while otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under section 5332

of title 5 of the United States Code and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

SEC. 408. (a)-Notwithstanding any other provision of law, a member of the Coast Guard, the Commissioned Officer Corps of OAESA, or the Regular or Reserve Commissioned Corps of the Public Health Service may be appointed, detailed, or assigned to any position in the Department other than a position the occupant of which must be approved by and with the advice and consent of the Senate.

(b) The Secretary is authorized to provide for participation of military personnel in the performance of his functions. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Department by the appropriate Secretary, pursuant to cooperative agreements with the Secretary.

(c) Appointment, detail, or assignment to, acceptance of, and service in any appointive or other position in the Department under this section shall in no way affect status, office, rank, or grade which officers or enlisted men may occupy or hold or any emolument, perquisite, right, privilege or benefit incident to or arising out of any such status, office, rank, or grade, nor shall any member so appointed, detailed or assigned be charged against any statutory limitation on strengths applicable to the Armed Forces. A member so appointed, detailed, or assigned shall not be subject to direction or control by his armed force or any officer thereof directly or indirectly with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

SEC. 409. The Secretary is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5 of the United States Code for travel between places of recruitment and duty, and while at places of duty, of persons appointed for temporary or seasonal services in the field service of the Department.

SEC. 410. The Secretary is authorized to enter into such contracts and agreements, including grant agreements, with public agencies and private organizations and persons; make such payments (in lump sum or installments, and in advance or by way of reimbursement, and with necessary adjustments on account of overpayments and underpayments); and generally take such steps as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

SEC. 411. The Secretary is authorized to acquire (by purchase, lease, condemnation or otherwise), construct, improve, repair, operate, and maintain facilities and real property. However, such authority shall

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apply only to facilities required for the maintenance and operation of laboratories, research, and testing sites and facilities, quarters, and related accommodations for employees and dependents of employees of the Department, and such other special purpose real property as the Secretary deems to be necessary in and outside the District of Columbia. The Secretary may, through the Administrator of General Services, acquire, by purchase, lease, condemnation, or otherwise, general purpose office and warehouse buildings or parts of buildings in and outside the District of Columbia for the use of the Department. Title to any property or interest therein, real, personal, or mixed, acquired pursuant to this section shall be in the United States.

SEC. 411. Except for public buildings as defined in the Public Buildings Act of 1959, as amended, and with respect to leased space subject to the provisions of Reorganization Plan No. 18 of 1950, the Secretary is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain facilities and real property as the Secretary deems to be necessary in and outside of the District of Columbia. Such authority shall apply only to facilities required for the maintenance and operation of laboratories, research and testing sites and facilities, quarters, and related accommodations for employees and dependents of employees of the Department, and such other special purpose real property as the Secretary deems to be necessary in and outside the District of Columbia. Title to any property or interest therein, real, personal, or mixed, acquired pursuant to this section, shall be in the United States.

SEC. 412. (a) The Secretary is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(1) Emergency medical services and supplies;

(2) Food and other subsistence supplies;

(3) Messing facilities;

(4) Audiovisual equipment, accessories, and supplies for recreation and training;

(5) Reimbursement for food, clothing, medicine and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) Living and working quarters and facilities; and

(7) Transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section shall be deposited in the Treasury and may be withdrawn by the Secretary to

pay directly the cost of such work or services, to repay or make advances to appropriations of funds which do or will bear all or a part of such cost, or to refund excess sums when necessary: *Provided*, That such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds, if the fund is available for use by the Department for performing the work or services for which payment is received.

SEC. 413. The Secretary, under such terms, at such rates, and for such periods not exceeding thirty years, as he may deem to be in the public interest, is authorized, under regulations prescribed by the President, to permit the use by concessionaires, including public and private agencies, corporations, associations, or other organizations or individuals, of any real property, or any facility, structure, or other improvement thereon, under the *jurisdiction custody and control* of the Secretary. The Secretary may require permittees under this section to recondition and maintain to a satisfactory standard and at their own expense, the real property, facilities, structures, and improvements involved.

SEC. 414. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or is useful to, the performance of functions vested in him—

- (1) Copyrights, patents, and applications for patents, designs, processes, and manufacturing data;
- (2) Licenses under copyrights, patents, and applications for patents; and
- (3) Releases, before suit is brought, for past infringement of patents or copyrights.

SEC. 415. The Secretary is authorized to engage in basic and applied research and development and disseminate technology through information programs, demonstrations, and cooperative arrangements with such scientific and other public and private organizations and persons as he may deem necessary to carry out the functions now and hereafter vested in him.

SEC. 416. (a) (1) The Secretary is authorized, within his own discretion or upon the request of any person, firm, organization, or others, public or private, to make special studies concerning matters within his jurisdiction; to prepare from the records of the Department special compilations, lists, bulletins, or reports; to furnish transcripts or copies of such studies, compilations, and other records; to provide copies of charts, maps, or photographs; and to provide services incident to the conduct of the regular work of the Department. The Secretary may, as appropriate, require payment of the actual or estimated cost of such special work.

(2) In the case of nonprofit organizations, research organizations, or public organizations or agencies, the Secretary may engage in joint

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projects, or perform services, on matters of mutual interest, the cost of which shall be apportioned equitably, as determined by the Secretary, who may, however, waive payment of any portion of such costs by others, when otherwise authorized to do so.

(b) All payments for work or services performed or to be performed under this section shall be deposited in the Treasury and may be withdrawn by the Secretary to pay directly the cost of such work or services, to repay or make advances to appropriations or funds which do or will bear all or a part of such cost, or to refund excess sums when necessary: *Provided*, That such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds, if the fund is available for use by the Department for performing the work or services for which payment is received.

SEC. 417. The Secretary, when he deems such action necessary, may make provision for the printing and distribution of reports and other documents in such number and in such manner as he deems appropriate, with respect to matters under his jurisdiction.

SEC. 418 417. The Secretary is authorized to accept, hold, administer, and utilize gifts, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest. For the purpose of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift or bequest to the United States.

SEC. 419 418. The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve and judicial notice shall be taken of such seal.

SEC. 420 419. The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interests of economy and efficiency. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which he determines will be performed through the fund. Appropriations to the fund in such amounts as may be necessary to provide additional working capital are authorized. The working capital fund shall recover from the appropriations and funds for which services are performed, either in advance or by way of reimbursement, amounts which will approximate the costs incurred,

including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from the sale or exchange of its property, and receipts in payment for loss or damage to property owned by the fund.

SEC. 421. To the extent necessary or appropriate to perform functions transferred by this Act, the Secretary may exercise, in relation to the functions so transferred, any authority or part thereof available by law, including Appropriations Acts, to the official or agency from which such functions were transferred.

SEC. 422. Except as may be otherwise expressly provided in this Act, all functions expressly conferred by this Act shall be in addition to and not in substitution for functions existing immediately before the effective date of this Act and transferred by this Act.

SEC. 423. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Department during the preceding fiscal year. Such report shall include a statement of his goals, priorities and plans for the Department together with an assessment of the progress made toward the attainment of those objectives, the more effective and efficient management of the Department and the coordination of its functions.

SEC. 424. The Secretary, when authorized in an appropriation act, may, in any fiscal year, transfer funds from one appropriation to another within the Department: *Provided*, That no appropriation shall be either increased or decreased pursuant to this section by more than five per cent of the appropriation for such fiscal year.

SEC. 425. There is hereby established a service fund for the Land and Recreation Resources Administration, the Water Resources Administration, the Energy and Mineral Resources Administration, the Oceanic, Atmospheric, and Earth Sciences Administration, and the Indian and Territorial Affairs Administration. Each such fund shall be available, without fiscal year limitations, for the purpose of providing services on a reimbursable basis for other departments, agencies, and instrumentalities of the Government and for persons outside the Government as authorized by law. The costs of providing such services shall be paid from the appropriate service fund. Proceeds received as reimbursement for services performed with funds from a service fund shall be credited to that fund. Refunds may be made from a service fund whenever an advance for services is subsequently determined to exceed the cost of such service.

SEC. 426. There are hereby authorized to be appropriated, without fiscal year limitation, such sums as may be provided for from time to time in appropriation acts to carry out functions now or hereafter vested in the Secretary.

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SEC. 427 ~~425~~. The Secretary shall from time to time prepare and publish such compilations of laws and treaties applicable to the various program areas of the Department as he deems to be in the public interest.-

TITLE V

Transitional and Conforming Provisions

SECTION 501. Whenever all of the functions of a department, agency, or other body, or any component thereof, affected by this Act, have been transferred from that department, agency, or other body, or any component thereof, whether by this Act or by this Act in combination with transfer by another Act, Presidential Reorganization Plan, Executive Order, or otherwise, the department, agency, or other body, or component thereof shall lapse. Whenever a department, agency or other body, or any component thereof lapses pursuant to the preceding sentence, each position and office therein which was expressly created by statute or Reorganization Plan or the incumbent of which was authorized to receive compensation at the rate prescribed for an office or position at Level I, II, III, IV, or V of the Executive Schedule (5 U.S.C. 5312-5316) shall lapse.

SEC. 502. Section 211 of the Flood Control Act of 1970, 84 Stat. 1818, 1829, establishing the position of the Assistant Secretary of the Army for Civil Works, is hereby repealed.

SEC. 503. Section 101 of title 5 of the United States Code is amended by substituting "Department of Natural Resources" for "Department of the Interior".

SEC. 504. Section 19(d) of title 3 of the United States Code is amended by substituting "Secretary of Natural Resources" for "Secretary of the Interior".

SEC. 505. Section 201 of Reorganization Plan No. 2 of 1970 is amended by substituting the "Secretary of Natural Resources" for the "Secretary of the Interior".

SEC. 506. The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of functions, personnel, personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act as he may deem necessary or appropriate to accomplish the intent and purposes of this Act.

TITLE VI**Savings Provisions**

SECTION 601. All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

Sec. 602. (a) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof) functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued if this Act had not been enacted.

(b) Except as provided in subsection (d)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and,

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(c) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United

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States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter any order which will give effect to the provisions of this section.

(d) If, before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official, then such suit shall be continued as if this Act had not been enacted, with the Secretary or other official, as the case may be, substituted.

(e) Final orders and actions of the Secretary or any official or component of the Department in the performance of functions transferred to the Secretary by this Act shall be subject to judicial review to the same extent and in the same manner as if such orders or actions had been made or taken by the officer, department, agency, or instrumentality in the performance of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notices, hearings, action upon the record, or administrative review that apply to any function transferred to the Secretary by this Act shall apply to the performance of those functions by the Secretary, or any officer or component of the Department.

SEC. 603. With respect to any function transferred by this Act and performed after the effective date of this Act, reference in any other law (including Reorganization Plans) to any department or agency or any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or other officials in which this Act vests such functions.

SEC. 604. Nothing contained in this Act shall be construed to limit, curtail, abolish, or terminate any function of the President which he had immediately before the effective date of this Act; or to limit, curtail, abolish, or terminate his authority to perform such function; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

TITLE VII

Separity

SECTION 701. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE VIII**Effective Date and Interim Appointments**

SECTION 801. (a) The provisions of this Act shall take effect one hundred and twenty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the *Federal Register*, except that any of the officers provided for in title II of this Act may be nominated and appointed, as provided in that title, at any time after the date of enactment of this Act. Funds available to any department or agency (or any official or component thereof), any functions of which are transferred to the Secretary by this Act, may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this subsection until such time as funds for that purpose are otherwise available.

(b) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any officer, whose appointment was required to be made by and with the advice and consent of the Senate and who was such an officer immediately prior to the effective date of the Act, to act in such office until the office is filled as provided in this Act. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

Department of Natural Resources

SECTION-BY-SECTION ANALYSIS

of

A bill to promote more effective management of certain related functions of the executive branch by reorganizing and consolidating those functions in a new Department of Natural Resources, and for other purposes.

SHORT TITLE

SECTION 1 states that the Act may be cited as the "Department of Natural Resources Act."

TITLE I

Declaration of Purpose

SECTION 101 expresses congressional recognition that our natural resources, including energy sources, although abundant, are not unlimited; that their proper conservation, management, and utilization underlies all of the aspirations of the American people now and in the future; and that the Federal Government has a national responsibility to itself practice, and to foster the practice by others of, appropriate resource conservation, management and utilization policies. To best achieve these objectives, and to improve Government operations, the Congress finds that it is necessary to establish a Department of Natural Resources, bringing together those Federal activities which bear most directly on resource policy. The administration of the trust responsibility for, and selected programs to assist, the Indians, Alaska natives, and territorial peoples is also placed in the Department.

TITLE II

Establishment of Department

SECTION 201 establishes the Department of Natural Resources under the supervision and direction of a Secretary of Natural Resources.

who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate provided for Level I of the Executive Schedule.

SEC. 202 establishes the top policy offices in the Department and describes the general structure for the internal organization of the Department. There will be a Deputy Secretary, at Level II of the Executive Schedule, and two Under Secretaries at Level III. In addition, there will be five Level III Administrators heading, respectively, a Land and Recreation Resources Administration; a Water Resources Administration, an Energy and Mineral Resources Administration, an Oceanic, Atmospheric, and Earth Sciences Administration, and an Indian and Territorial Affairs Administration. The bill also provides for an Assistant Secretary and a General Counsel at Level IV. All of the foregoing Level II to IV officers will be appointed by the President by and with the advice and consent of the Senate.

Subsection (e) establishes a pool of twenty-five Level IV and V officers to be appointed by the Secretary to assist in the management of the Department. Subsection (f) provides that all of the Level II to V officers will perform such functions as the Secretary shall specify from time to time.

SEC. 203 provides for the order of succession in the event of the absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary.

TITLE III

Transfers

Title III effectuates the transfer of the functions under existing law which will be carried out by the new Department of Natural Resources. Section 301 identifies the functions that are transferred and provides that they shall be vested in the Secretary. The remaining sections of title III contain technical provisions relating to these transfers. Under the broad definitions in section 401 and the savings provisions of section 601, the operative term "functions" includes all existing relevant powers, rights, duties, etc., whether created, vested, or assigned by statute, reorganization plan, executive order, delegation, agreement, or otherwise. Section 506 authorizes the Director of the Office of Management and Budget to make additional incidental dispositions of functions as necessary to accomplish the purposes of the Act.

Subsection 301(a) transfers to the Secretary of Natural Resources all of the functions of the Secretary of the Interior, the Department of the Interior, and all officers and components of that Department. The Interior Department operates under the authority of several thou-

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sand laws, many of which do not appear in the United States Code. Those that are codified are found principally in title 16 of the United States Code, relating to the national park system, outdoor recreation, fish and wildlife, power marketing, and various other resource programs; title 25, Indians; title 30, mineral lands and mining, including mine health and safety; title 42, pertaining to desalination and water resources research; title 43, public lands, reclamation, and Department of the Interior; and title 48, territories.

Virtually all of the authority under these laws is presently vested in the Secretary of the Interior, pursuant to Reorganization Plan No. 3 of 1950, 64 Stat. 1262, 5 U.S.C.A., App., and as provided in statutes enacted thereafter; and subsection (a) transfers this authority to, and vests it in, the Secretary of Natural Resources. The additional reference in the subsection to all functions of officers and components of that Department similarly transfers to and vests in the Secretary the few remaining miscellaneous authorities that reside expressly or by implication in subordinate officers and components of the Department.

Subsection 301(b) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Commerce, the Department of Commerce, and officers and components of that Department, as relate to or are utilized by the National Oceanic and Atmospheric Administration (NOAA). NOAA was created by Reorganization Plan No. 4 of 1970 (84 Stat. 2090), which brought together the Environmental Science Services Administration and its major elements, the Weather Bureau, Coast and Geodetic Survey, Environmental Data Service, National Environmental Satellite Center and Research Laboratories (Reorganization Plan No. 2 of 1965, 15 U.S.C. Chapter 9, 49 U.S.C. Chapter 20, 33 U.S.C. Chapter 17); the Bureau of Commercial Fisheries, Marine Fish Research Program and Marine Minerals Technology Center, formerly in the Department of Interior (16 U.S.C. *passim*); the National Oceanographic Data Center and National Oceanographic Instrumentation Center, formerly administered by the United States Navy; the National Data Buoy Development Project, formerly of the Coast Guard; the National Sea Grant Program, formerly of the National Science Foundation (33 U.S.C. Chapter 22); and elements of the United States Lake Survey, formerly of the Corps of Engineers. This consolidation of activities and functions was designed to improve man's comprehension and uses of the physical environment and its oceanic life.

Subsection 301(c) transfers to the Secretary of Natural Resources, under paragraph (1), such of the functions of the Secretary of Defense, the Secretary of the Army, the Assistant Secretary of the Army for Civil Works, and the Chief of Engineers and the Corps of

Engineers of the Department of the Army, as relate to or are utilized for civil works and regulatory functions, with the proviso that all civil works construction, operation and maintenance, flood and coastal emergencies, and related activities so transferred shall be accomplished through and under the direction of the Secretary of the Army and the supervision of the Chief of Engineers. To the extent they are codified, the laws authorizing these programs are found in title 33 of the United States Code.

The civil works functions of the Corps include the investigation, study, planning, construction, and operation and maintenance of measures for navigation, flood control, fish and wildlife enhancement, hydroelectric power, recreation, municipal and industrial water supply, beach erosion control and beach restoration, and water quality. Included are authorities for comprehensive river basin studies, flood plain information studies, emergency flood and coastal protection, a vast number of individual project authorizations, and continuing authorities to construct small projects without the specific authorization of the Congress.

The bill provides that the construction and operation of civil works, the provision of aid in flood and coastal emergencies, and related activities so transferred would continue to be accomplished through and directed by the Secretary of the Army and the Corps of Engineers. This will assure the continued training and experience of officers of the Army Corps of Engineers in contract administration, construction, and coordination with civilian authorities; preserve the flexibility, efficiency, and responsiveness of the Corps to meet alternating civil and national defense needs; and maintain the capability of the Corps to provide assistance to civilians in emergencies. However, the functions of investigations, study, planning, budgeting and funding, and coordination would be transferred to the Secretary.

The civil regulatory functions of the Corps, which would be transferred to the Secretary, pertain generally to the protection of the navigable waters of the United States. No filling, erection of structures, dredging, diversion of flow, or depositing of refuse in such waters may be done unless permitted by the Secretary, who, in determining whether permission should be granted, considers all matters relating to the general public interest, including navigation, flood control, economic matters, fish and wildlife values, and ecological, esthetic, and environmental values.

Certain study and review functions are vested by law in the Board of Engineers for Rivers and Harbors, the Mississippi River Commission, and the California Debris Commission. These functions are also transferred to the Secretary by paragraph (2) of the subsection.

Subsection 301(d) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Agriculture, the Depart-

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ment of Agriculture, and Offices and components of the Department, as relate to or are utilized by the Forest Service. Forest Service activity covers three major areas of operation concerned with the country's forest and related range, watershed and other wildland natural resources: (1) management, protection, and development of the National Forests and National Grasslands; (2) cooperation with the States in obtaining better forestry on State and private forest lands; and (3) research needed for (1) and (2) and for forest and range lands generally.

There are numerous laws relating to the Forest Service. Of those which have been codified, the principal statutes appear in title 16 of the United States Code, relating to the three major programs of the Forest Service, and in title 7 of the United States Code, relating to the general authorities of the Department of Agriculture. Reorganization Plan No. 2 of 1953 (67 Stat. 633, 7 U.S.C.A. 2201 note) vested in the Secretary of Agriculture all of the functions of the Service, as well as all of the functions of the other components of the Department of Agriculture transferred under this Act.

Subsection 301(e) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Soil Conservation Service. Soil Conservation Service activities cover four major areas of operation: (1) the development and carrying out of a national soil and water conservation program (primarily through conservation districts), including the national cooperative soil survey, technical assistance in the development of conservation plans and application of conservation treatments, the conduct of snow surveys to develop stream flow forecasts, and the operation of plant material centers; (2) the development and carrying out of watershed protection and flood prevention projects, including furnishing technical and financial assistance to State and local organizations, and conduct of river basin surveys and investigations in cooperation with other agencies; (3) the administration of the Great Plains Conservation program for the mitigation of wind and water erosion damages in the Great Plains area; and (4) the aiding of local sponsors in developing and carrying out of multi-county resource conservation and development projects.

There are numerous laws relating to the programs of the Soil Conservation Service. Of those which have been codified, the principal statutes appear in title 7 of the United States Code, sections 1010 et seq. (resource conservation and development) and other sections related to the general authorities of the Department of Agriculture; title 16, sections 590 (a) to (f) (soil and water conservation operations), 590(p)(b) (Great Plains conservation), and 1001 et seq.

(watershed protection); and title 33, sections 701(a) et seq. (flood prevention).

Subsection 301(f) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Natural Resource Economics Division of the Economic Research Service. This Division conducts research in the economics of the use, conservation and development of land and water resources. These activities are authorized under various statutes, including primarily 7 U.S.C. 411, 1621 et seq., 1761, 2201, 2202; 42 U.S.C. 1891-1893.

Subsection 301(g) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Agriculture, the Department of Agriculture, and officers and components of that Department, as relate to or are utilized by the Soil and Water Conservation Division of the Agricultural Research Service. This Division conducts research in the conservation of soil and water and the control of certain forest and range insects and diseases. These activities are authorized under various statutes including primarily the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201) and the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 427i).

Subsection 301(h) transfers to the Secretary of Natural Resources loan functions relating to or utilized by the Farmers Home Administration under section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)) and under sections 4 and 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004 and 1006(a)).

Subsection 301(i) transfers to the Secretary of Natural Resources such of the functions of the Secretary of Transportation, the Department of Transportation, and officers and components of that Department as relate to or are utilized for pipeline safety. The referenced functions consist of all of the authority under the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671 et seq.); and such of the authority under sections 831-835 of title 18 of the United States Code as relates to pipeline safety. The latter, originally administered by the Interstate Commerce Commission, was transferred to the Department of Transportation for administration through the Federal Railroad Administration pursuant to subsections 6 (e) and (f) of the Department of Transportation Act (80 Stat. 931, 939, 940).

Subsection 301(j) transfers to the Secretary of Natural Resources all of the functions of the Water Resources Council. The Council was established by and functions under the Water Resources Planning Act (42 U.S.C. 1962 et seq.). Its responsibilities include the coordination of all Federal water resource programs, assessment of water supplies and requirements, establishment of principles, standards and

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procedures for Federal water and related land resources projects, review of comprehensive regional and river basin plans, and the administration of grants to States for comprehensive planning.

Subsection 301(k) transfers certain programs and activities from the Atomic Energy Commission to the Secretary of Natural Resources as follows:

(1) The policy, planning, and funding of the civilian power and nonnuclear energy programs. In general, the civilian power programs serve to make possible the maximum exploitation for civilian use of the vast energy resources latent in nuclear material. Their objectives apply to nuclear units for central station powerplants, desalting and dual-purpose plants; propulsion and power for civilian maritime uses; attended and unattended earth and undersea power devices; and related fuel reprocessing, waste disposal and environmental systems. They include development of civilian power and test reactors, isotopes, waste and environmental related systems, and associated equipment for general nuclear oriented research; new and advanced technology leading to improvements in fuel utilization, reprocessing and waste disposal, and new concepts and processes; investigations and research into safety of reactor systems and nuclear processes, and establishment of environmental and safety criteria; and fostering and coordinating development and application of civilian nuclear power in cooperative arrangements with industrial, utilities, and other government organizations. Research and development in nonnuclear energy was provided for in section 201(a) of Public Law 92-84.

In order to assure that the vital research and development programs and related activities can continue to benefit from the closest possible integration with other highly technical AEC programs, activities, and personnel, such work would continue to be accomplished through and directed by AEC and carried out under AEC contracts administered by that agency. However, the functions of planning, budgeting and funding, coordination, assessment of resources and establishment of priorities as related to national energy planning would be transferred to the new Department. It is not intended, by the transfer of any civilian power functions to the Department, to preclude AEC continuance of research and development effort in safety, reactor technology, fuel reprocessing, waste management, or other activities that relate primarily to programs remaining with the Commission.

(2) The raw materials program. This encompasses evaluation of natural uranium and thorium resources and production capabilities; assessment of the viability of the domestic raw materials industry; and research and development in uranium geology, exploration and extraction, and management of excess uranium stocks.

(3) The uranium enrichment and related distribution activities constituting part of the Commission's program for the production of special nuclear materials. This encompasses the program for uranium enrichment services to meet the needs for enriched uranium in domestic and foreign peaceful applications of atomic energy, for Department of Defense applications, and for AEC research and development programs. It includes operation and maintenance, and improvement of AEC's existing gaseous diffusion plants (and related feed facilities), together with manufacture of special materials and components; research and development to advance enriching technology; the sale of uranium enriching services, including determination of prices to be charged; and the planning of future needs.

(4) With respect to the Plowshare program, the Department would have funding responsibility for all natural resource aspects of the program. The Department's responsibilities would also encompass the identification of programs to be undertaken which would utilize nuclear explosives, such as specific projects for gas stimulation or geothermal enhancement; negotiation and administration of contracts for industrial participation in such projects; and conduct of economic studies anticipating future provision of Plowshare services on a commercial basis. General research and development, device research and development, device technology, explosive effects tests, development of fielding systems, project execution and related activities would remain with AEC, and the Department would budget for and transfer to AEC the necessary funds for these activities.

Sec. 302 provides that functions vested in hearing examiners by subchapter II of chapter 5 of title 5 of the United States Code will continue to be vested in hearing examiners of the Department of Natural Resources.

Sec. 303 provides that in any case in which the head of a department or agency is required to consult or obtain the approval of the head of another department or agency as a condition to his performance of a function, and the functions of both with respect to the matter involved have been transferred to the Secretary of Natural Resources, the requirement for such consultation or approval is terminated.

Sec. 304 provides that personnel, personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds relating to functions transferred to the Secretary shall follow those functions and be transferred to the Secretary. Appropriations so transferred will be accounted for in accordance with the provisions of section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c) under which transfers of this type normally are made. To the extent

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that additional incidental adjustments may be needed to accomplish the intent of the Act, section 506 of the Act authorizes the Director of the Office of Management and Budget to make those adjustments. Personnel positions expressly created by statute or Reorganization Plan, personnel occupying those positions on the effective date of the Act, and personnel authorized to receive compensation at one of the rates prescribed by the Executive Schedule (5 U.S.C. 5312-5316) would not be transferred to the new Department by the Act. Those personnel positions would lapse, as provided in section 501. Persons under the Executive Schedule may be employed by the Department, without loss of pay, under section 306 of the Act.

SEC. 305 provides that non-temporary personnel, other than personnel entitled to compensation under the Executive Schedule (Level I to V), shall not be separated or reduced in grade or compensation, as a result of the establishment of the new Department, for one year after being transferred to the new Department pursuant to section 304 of the Act. This provision is designed to preclude reduction in force solely as a result of the enactment of this Act for one year after the new Department becomes operational. However, this provision would not preclude the separation or reduction in grade or compensation of any such personnel under the same circumstances that such adverse action could have been taken if this Act had not been enacted—for example, separation for cause or removal from a Schedule C position. (See Sec. 9(h), DOT Act, 80 Stat. 944.)

SEC. 306 provides that persons entitled to compensation under the Executive Schedule (Level I to V) may be employed by the new Department and if that employment is without break in service and if the duties of the new position are comparable to the duties performed immediately preceding the new appointment, such person will be entitled to receive compensation at a rate not less than he received in his previous position for the duration of his service in the new position. (See Sec. 9(h), DOT Act.)

SECS. 307, 308 and 309 set forth the specific statutory framework within which the Secretary will carry out the AEC programs and activities to be transferred by this bill. Although many of the authorities and requirements of the Atomic Energy Act would thereby be made applicable to the Secretary, it would not be feasible for both AEC and the Department to duplicate programs or staffs, or, even more important, for responsibility to be diffused in several sensitive areas. Hence, these sections contemplate that AEC would continue to be responsible for policies, procedures, and requirements relating to the control of Restricted Data; the Department would administer the transferred programs and activities under AEC physical security and classification policies, guides and procedures; and Department employees and

other persons engaged in the transferred programs and activities would be required to have appropriate AEC security clearances.

None of AEC's licensing authority and responsibility would be transferred to the Secretary. In the transferred programs and activities, the Department and contractors for its account would be exempt from requirements for AEC licenses, but the Department's standards and procedures for radiological protection of the public health and safety and the safeguarding of the national defense and security would be required to be consistent with those of the Commission governing its own activities, and to be established with the Commission's advice and concurrence.

The Commission would retain its present exclusive authority in the definition of extraordinary nuclear occurrence, source and special nuclear materials, and production and utilization facilities, an authority that is basic to the licensing, indemnification, and weapons programs of the Commission. AEC would also retain the authority with respect to negotiation of international arrangements and agreements for co-operation with foreign countries and organizations; the Secretary would, however, have the authority, consistent with the overall international agreements, to negotiate implementing agreements for distribution of source and special nuclear materials and for reprocessing and toll enrichment of such materials for peaceful uses.

Sec. 307 lists the specific provisions of the Atomic Energy Act under which the Secretary will administer the transferred programs and activities, with all the powers and duties of the Commission thereunder except as otherwise specified. These provisions include:

1. Chapters 1 and 2 of the Act, stating overall policies and purposes and prescribing definitions, with the determinations as to "extraordinary nuclear occurrence," "production facility," "source material," "special nuclear material," and "utilization facility" retained in the Commission (subsections (a), (b)).

2. Those provisions of chapter 3 ("Organization") that relate to advice from the General Advisory Committee and to liaison with the Department of Defense (subsection (c)). It is intended that with respect to the transferred programs and activities the Department of Defense shall have the same rights and responsibilities vis-a-vis the Secretary as it has in other respects with the Commission.

3. Chapters 4 ("Research") and 5 ("Production"), which provide the principal statutory base for the civilian power, nonnuclear energy, Plowshare, and uranium enrichment programs and activities transferred to the Secretary (subsection (d)). The provisions of section 44 of the Act, relating to disposition of energy produced in Commission operations, will apply to energy produced in Department operation of production or utilization facilities.

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4. The provisions of chapter 6 that relate to the acquisition and distribution, as distinguished from the defining or licensing, of special nuclear material (subsection (e)). These include the provisions governing determination of charges and guaranteed purchase prices. The Commission would retain its function under subsection 57b with respect to authorizing persons to directly or indirectly engage in the production of any special nuclear material outside the United States.

5. The provisions of chapter 7 that relate to the reporting, acquisition, and distribution, as distinguished from the defining or licensing, of source material (subsection (f)). The Commission would retain the authority under section 64 to determine whether proposed foreign distributions not undertaken pursuant to an agreement for cooperation will be inimical to the interests of the United States.

6. The provisions of chapter 8 that relate to distribution, as distinguished from the licensing, of byproduct material (subsection (g)). The Commission would retain the authority under subsection 82b to determine whether foreign distributions not undertaken pursuant to an agreement for cooperation will be inimical to the common defense and security.

7. In chapter 9, the authority under subsection 91b (1) relating to delivery under Presidential direction of enriched uranium to the Department of Defense (subsection (h)).

8. In chapter 11, the provisions of section 121 with respect to the effect of Commission actions in conflict with any international arrangement made after enactment of the Atomic Energy Act, and section 122 requiring maximum Commission implementation of any international arrangement made after such enactment, are made applicable to the Department (subsection (i)); the remaining sections of chapter 11 concern the entering into of agreements for cooperation and international arrangements, and no responsibilities or authority thereunder are transferred to the Secretary.

9. In chapter 12, "Control of Information," subsection 144a would apply to the Secretary's implementation of agreements for cooperation; subsection 145b, with respect to security investigations and clearances, would apply to Department employees and others for whom access to Restricted Data is required, but the Commission would retain the security clearance function; and the Department would be subject to the limitation in subsection 146b with respect to controlling or restricting dissemination of information (subsection (j)). No responsibilities or authority under the remaining provisions of chapter 12 relating to policy, classification and declassification of Restricted Data, Department of Defense participation, international cooperation, and restrictions, are transferred to the Secretary.

10. Numerous listed sections and subsections of chapter 14, "General Authority," which have provided the Commission with needed or

desirable authority and flexibility, or imposed certain limitations on authority, are made applicable to the transferred programs and activities (subsection (k)). Some of these are general in nature, e.g., advisory boards, subpoena power, appointment and compensation of employees, acquisition and disposition of property, carrying of firearms, issuance of rules and regulations, granting of easements, sale of utility and other services, Presidential contract exemption authority, proscribed contract practices, Comptroller General audit, and payments in lieu of taxes. Others are more directly keyed, though not exclusively so, to the transferred programs and functions. These include the authority to contract to provide certain processing, fabricating, separating and refining services to licensees and to sell materials to them (subsection 161m of the Act); perform similar services in implementation of agreements for cooperation (subsection 161t); enter into long-term contracts for acquisition of reactor or reactor-related services, or for other materials or services under certain stated conditions (subsection 161u); enter into long-term contracts to produce or enrich special nuclear material for licensees, or in implementation of agreements for cooperation, under certain stated conditions (subsection 161v); enter into long-term power contracts for the Oak Ridge, Paducah and Portsmouth installations (sec. 164); settle claims for damages resulting from detonation, explosion, or radiation produced in a program involving detonation of an explosive device (sec. 167); and enter into agreements of indemnification with certain types of contractors covering risk of public liability for a substantial nuclear incident (sec. 170). It is intended that the Department's policies and procedures with respect to agreements for indemnification shall be consistent with those followed by the Commission with respect to its contractors. The "no subsidy" requirement of section 169 with respect to Commission-licensed facilities is applicable to the Department. It should also be noted that the statutory committees—the General Advisory Committee, the Military Liaison Committee, and the Advisory Committee on Reactor Safeguards—will be available for consultation by the Department, although the appointment of members and administrative support will remain as heretofore. A continuing close and effective relationship between the Department and the Commission is required and expected on the many matters of mutual concern that will evolve in carrying out their respective functions.

11. In chapter 15, the provisions (secs. 171, 172, 174), relating to just compensation for property acquired, condemnation of real property, and Attorney General approval of title (subsection (l)).

12. In chapter 17, "Joint Committee on Atomic Energy," the provisions of section 202 relating to Joint Committee oversight of the

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Commission and the Commission's responsibility to the Joint Committee (subsection (m)).

13. In chapter 18, "Enforcement," the provisions of sections 229 and 230, relating to trespass upon and photographing, etc., of Commission installations, modified to make them applicable to Department installations used in carrying out the transferred programs and activities (subsection (n)).

14. In chapter 19, "Miscellaneous," the provisions of section 251 with respect to reports to Congress, and section 261 requiring prior legislative authorization for appropriations and waiver of use charges and containing other provisions relating to appropriations (subsection (o)).

Sec. 308 provides that no AEC license (which would otherwise be required by the Atomic Energy Act) shall be required for the conduct by the Secretary or by persons under contract with and for the account of the Secretary, of the transferred programs and functions, thus paralleling the exemption now existing for AEC and certain contractors with respect to those programs and functions. However, the Secretary is required, with the advice and concurrence of the Commission, to establish standards and procedures for radiological protection of the public health and safety that are consistent with those established by the Commission to govern its own activities. The Secretary is also required, in the conduct of the transferred programs and activities, to establish standards and procedures for the safeguarding of the common defense and security that have the concurrence of the Commission and are consistent with those established by the Commission to govern its own activities. It is intended that the Commission's functions with respect to radiological public health and safety and the common defense and security not be diffused.

Sec. 309 provides that with respect to the transferred programs and activities the Secretary shall have all the Commission's rights, powers and duties under section 152 of the Atomic Energy Act in the case of inventions useful in the production or utilization of special nuclear material or atomic energy, made in the course of or under any contract, subcontract, or arrangement entered into with or for the benefit of the Secretary, to the same extent as if entered into with or for the benefit of the Commission. The present authority of the Commission with respect to inventions relating to atomic weapons and filing of reports (sec. 151 of the Atomic Energy Act), compulsory patent licensing (sec. 153), and compensation, awards, and royalties will remain with the Commission. It is expected that AEC invention review capabilities will be utilized to the maximum extent and that the patent policies and procedures of the Department with respect to

the transferred programs and activities will be established and administered in close coordination with the Commission.

SEC. 310 provides that the Commissioned Officer Corps of NOAA shall become the Commissioned Officer Corps of the Oceanic, Atmospheric and Earth Sciences Administration of the Department of Natural Resources. This Corps was established by statute in 1917, as a special personnel system in the Coast and Geodetic Survey, to satisfy the need for the close defense relationship and because of the mobile and short-fuse nature of assignments. It has been continued in the Environmental Science Services Administration and more recently in the National Oceanic and Atmospheric Administration. The Commissioned Officer Corps is one of the seven branches of the uniformed services of the United States. Officers are available and utilized in a broad range of assignments throughout NOAA. Service aboard NOAA's oceanographic fleet is a common and principal factor in the officer's service. Approximately one-third of service career is spent assigned to such vessels.

The provisions relating to the appointment of Corps officers to policy positions in OAESA are the same as those provided in Reorganization Plan No. 4 of 1970 for appointment to policy positions in NOAA except that the requirement for Presidential appointment to such positions has been omitted in keeping with the provisions of subsection 202(e) of the Act.

TITLE IV

Definitions and Administrative Provisions

SECTION 401. Subsection (a) defines "function", "functions", "perform" and "performance" in order to avoid repetitious references to such terms as duties, obligations, powers, authorities, responsibilities, rights, privileges, and activities, and the exercise thereof.

Subsection (b) provides that references in the Act to provisions of law shall be deemed to include, as appropriate, reference thereto as now and hereafter amended or supplemented. This avoids repetitious uses of "as amended" or "as supplemented." It also recognizes that statutory authorities subject to transfer under this legislation may be amended or supplemented by other legislation while this legislation is under consideration or after this legislation is enacted but before it becomes effective. This provision would avoid any issue as to whether statutory authorities transferred by this Act are transferred in their amended forms, and will obviate the need for last minute conforming adjustments in this or any other legislation during final stages of the legislative process.

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SEC. 402 authorizes the Secretary to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him. (See sec. 203(b)(1), NASA Act; OEO Act, 42 U.S.C. 2942 (n); sec. 9(e), DOT Act, 80 Stat. 944; sec. 7(d), DHUD Act, 79 Stat. 667.)

SEC. 403. Subsection (a) authorizes the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of those functions. (See sec. 7(d) of DHUD Act, 79 Stat. 667; sec. 9(e) of DOT Act, 80 Stat. 944.)

Subsection (b) authorizes the Secretary to establish and modify the internal organization of the department by creating, altering, and discontinuing such organizational units and components as he may, from time to time, deem necessary or appropriate to the performance of any of his functions. However, the Secretary would not be authorized to abolish the "Administrations" created by section 202(c) of the Act, or any other organizational units or components expressly established within the Department by this or any future Act or Reorganization Plan, such as the Commissioned Officer Corps of OAESA established by section 310 of this Act. (This authority is quite similar to that now applicable with respect to the Department of Housing and Urban Development and the Department of Justice.) (See also sec. 203(b)(8), NASA Act, 72 Stat. 430.)

SEC. 404 authorizes the Secretary to establish, alter, or discontinue and to maintain such State, regional, district, local, or other field offices as he may deem necessary or appropriate to the performance of his functions. This will expressly permit the Secretary to design and establish the best field office system he can devise to assure effective, expeditious, and responsive implementation of the Department's programs. It would also permit him to alter or discontinue that system and establish another system if experience or changed conditions indicate the advisability of such a change.

SEC. 405 is a standard provision authorizing the Secretary, subject to the civil service and classification laws, to select, appoint, employ, and fix the salaries of such officers and employees, including attorneys, as are necessary to the performance of his functions. (See sec. 7(c), DHUD Act, 79 Stat. 667.)

SEC. 406 authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed those prescribed for GS-18 of the General Schedule. (See sec. 7(e) of the DHUD Act as amended by sec. 906 of the Housing and Urban Development Act of 1970, P.L. 91-609.)

SEC. 407 is a standard provision authorizing the Secretary to appoint advisory committees to consult with and advise him with respect to the performance of his functions. (See sec. 7(e) of the DHUD Act, as amended by sec. 905, P.L. 91-609; sec. 9(o) of DOT Act, 80 Stat. 944.)

SEC. 408 authorizes the appointment, detail, or assignment of members of the Coast Guard, the Commissioned Officer Corps of OAESA, or the Regular or Reserve Commissioned Corps of the Public Health Service to any position in the Department that is not required to be filled by an officer whose appointment is required to be confirmed by the Senate.

Subsection (b) permits members of the Army, Navy, Air Force, and Marine Corps to be detailed for service in the Department under agreements between the Secretary and Secretaries of the Military Departments.

Subsection (c) provides that the status, office, rank, or grade of persons who are appointed, assigned, or detailed to the Department pursuant to this section shall not be adversely affected by service under this section. (See sec. 9(d)(1), DOT Act, 80 Stat. 944.)

SEC. 409 authorizes payment of transportation expenses and per diem to temporary or seasonal employees from the place of their recruitment to the place of their duty and while at the place of such duty. Such expenses would be paid in accordance with chapter 57 of title 5 of the United States Code which relates to similar payments to other Government employees for official travel. (See 7 U.S.C. 2229.)

SEC. 410 authorizes the Secretary to enter into contracts and agreements, including grant agreements, with public agencies and private organizations and persons. It authorizes payments in lump sum or by installments or in advance or by way of reimbursement. It also authorizes the Secretary to take such steps as he may deem necessary or appropriate to perform his functions. (See sec. 203(b)(5), NASA Act, 72 Stat. 426.)

SEC. 411 authorizes the Secretary to acquire facilities required for the maintenance and operation of laboratories, research, and testing sites and facilities, quarters, and related accommodations for employees and their dependents and such other special purpose real property as the Secretary deems necessary. Such special purpose facilities and real property could be acquired by purchase, lease, condemnation, or otherwise. General purpose facilities and real property would continue to be acquired by the General Services Administration. The title to all property acquired pursuant to this section would be in the United States rather than in the Secretary or the Department. (See sec. 203(b)(3), NASA Act. 72 Stat. 426.)

SEC. 412 authorizes the Secretary to provide, construct, or maintain, as necessary and when otherwise unavailable, certain facilities and

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services for employees and their dependents at remote locations. Included would be emergency medical services and supplies; food and subsistence supplies; messing facilities; audio-visual equipment, accessories, and supplies for recreation and training; living and working quarters and facilities; and transportation for school-age dependents to the nearest appropriate educational facilities. Reimbursement would be required for the medical treatment and for services and supplies so furnished to employees and their dependents. Charges for these services, or any other services under this Act to private persons or organizations, would be determined in accordance with uniform policies, standards, and procedures prescribed by the Office of Management and Budget and with 31 U.S.C. 483a and 5 U.S.C. 5911. (See sec. 9(l), DOT Act, 80 Stat. 946, and 15 U.S.C. 1514.)

SEC. 413 would authorize the Secretary to permit concessionaires to provide services on property under the custody and control of the Secretary. Concession agreements under this section would have to be in conformity with standards prescribed in regulations issued by the President. (See 16 U.S.C. 20-20g, 580d.)

SEC. 414 authorizes the Secretary to acquire copyrights and patents, interests therein and licenses thereunder, whenever such acquisitions are necessary or appropriate to the performance of his functions. (See 10 U.S.C. 2386.)

SEC. 415 authorizes the Secretary to engage in such basic and applied research and disseminate technology as he may deem necessary to carry out functions entrusted to him. (See title V, Housing and Urban Development Act of 1970, P.L. 91-609; sec. 9(q), DOT Act, 80 Stat. 947.)

SEC. 416 authorizes the Secretary, within his own discretion or at the request of any persons, firms, organizations, or others, public or private, to make special studies concerning matters within his jurisdiction; to prepare from the records of the Department special compilations, lists, bulletins, or reports; to furnish transcripts or copies of those studies, compilations, and other records; to furnish copies of charts, maps, or photographs; and to provide services incident to the conduct of the regular work of the Department. For example, the Department may have a specialized piece of equipment, or persons with specialized knowledge, not available elsewhere and, in appropriate cases, the Secretary would be authorized to make those services available to private persons and to public and private agencies and organizations. This section also authorizes the Secretary to undertake joint projects with nonprofit organizations, research organizations, and public agencies and organizations involving matters of mutual interest and to share the costs thereof. As noted with respect to section 412, charges to private persons and organizations under this Act would be

determined in accordance with user standards, charges policies, and procedures prescribed by the Office of Management and Budget and 31 U.S.C. 483a. (See P.L. 91-412—Department of Commerce.)

SEC. 417 authorizes the Secretary to accept, hold, administer, and utilize gifts and bequests. (See sec. 905(k) of Housing and Urban Development Act of 1970, P.L. 91-609; sec. 9(m), DOT Act, 80 Stat. 946.)

¹ SEC. 418 authorizes the Secretary to prescribe a seal for the Department. (See sec. 7(g) of DHUD Act, 79 Stat. 667.)

SEC. 419 authorizes the establishment of a working capital fund to defray necessary expenses arising out of the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency. (See sec. 9(j), DOT Act, 80 Stat. 945; sec. 7(b), DHUD Act, 79 Stat. 667; and 43 U.S.C. 1467, Interior Department.)

SEC. 420 is a technical provision. In certain cases authority under a portion of an Act is transferred to the Secretary by this Act while responsibility for other provisions of the same Act will be retained by the transferring agency. This provision is designed to permit the Secretary to exercise powers vested by the general provisions of any such Act without divesting the transferring agency of authority to exercise those powers with respect to the functions retained by that agency.

SEC. 421 is designed to make it clear that authority expressly provided by this Act is in addition to and not in substitution for any authority that may have existed prior to the effective date of this Act and is transferred by this Act.

SEC. 422 requires an annual report to the Congress on the activities of the Department concerning activities during the preceding fiscal year, a statement of goals, and an assessment of progress.

SEC. 423 authorizes the Secretary, when authorized in an appropriation act, to transfer funds from one appropriation to another so long as such transfers do not increase or decrease an appropriation by more than five percent. This does *not* permit such transfers unless they are authorized in an appropriation act.

SEC. 424 authorizes the establishment of service funds for each Administration. These funds would be used to defray the initial costs of reimbursable services provided to other departments and agencies or to persons, agencies, or organizations outside the government.

SEC. 425 directs the Secretary from time to time to prepare and publish compilations of laws and treaties applicable to the various program areas of the Department as he deems to be in the public interest.

TITLE V

Transitional and Conforming Provisions

SECTION 501 provides that whenever all of the functions of a department, agency, or other body, or of any component thereof have been transferred, whether by this Act, or by a combination of Acts, Reorganization Plans, etc., the department, agency, etc., shall lapse. This, in effect, discontinues organization structures when they no longer have functions to perform. It applies only when all of the functions of the agency or component have been transferred to the Secretary. Thus, it would not apply, for example, to the Corps of Engineers, whose military functions and construction and other activities continue; nor would it apply to the Economic Research Service or the Agricultural Research Service, unless the remaining functions of these Department of Agriculture agencies are transferred to another department under the reorganization program. The section also provides that all Executive Schedule offices and positions in a department or agency that lapses under the first sentence of the section shall also lapse.

SEC. 502 repeals the section of the Flood Control Act of 1970 which established the position of the Assistant Secretary of the Army for Civil Works, as this statutory office is not covered by section 501.

SEC. 503 substitutes the Department of Natural Resources for the Department of the Interior in the definition of "Executive Department" in title 5 of the United States Code.

SEC. 504 substitutes the Secretary of Natural Resources for the Secretary of the Interior in section 19(d) of title 3 of the United States Code relating to presidential succession.

SEC. 505 substitutes the Secretary of Natural Resources for the Secretary of the Interior in Reorganization Plan No. 2 of 1970 relating to membership on the Domestic Council.

SEC. 506 authorizes the Director of the Office of Management and Budget to make such additional incidental dispositions of functions, positions, personnel positions, assets, liabilities, contracts, property, records, appropriations, etc., as may be necessary to carry out the intent and purpose of the Act. This is a standard provision in Reorganization plans involving interagency transfer of functions.

TITLE VI

Savings Provisions

SECTION 601 is a savings clause that continues the effectiveness of all existing orders, determinations, rules, regulations, permits, con-

tracts, certificates, licenses, and privileges affected by the Act, until such time as they are otherwise modified or replaced by appropriate authority or otherwise expire. This avoids any inadvertent lapsing or impairment of essential Executive orders, directives, documents, and obligations, and will afford the President and the Secretary sufficient time to deal with these matters in an orderly fashion.

SEC. 602 is another savings clause that preserves and continues legal proceedings in being on the effective date of the Act. Such proceedings would, in effect, be continued, modified, or terminated as if the Act had never been enacted.

SEC. 603 is a technical provision. It provides that with respect to functions transferred by the Act, references in laws (including Re-organization Plans) to other officials shall be deemed to be a reference to the Secretary.

SEC. 604 is a technical provision. A number of the functions that are transferred by this Act are functions that are vested in the President but were delegated to a transferring agency on the effective date of this Act. Under the terms of the Act those functions are transferred to the Secretary. This section is designed to assure that those administrative delegations of functions by the President do not take on a statutory character that would impair the President's authority to modify, terminate, or transfer these delegated functions in the future.

TITLE VII

Separability

SECTION 701 is a standard separability clause that avoids the invalidation of the whole Act if a single provision is found to be invalid.

TITLE VIII

Effective Date and Interim Appointments

SECTION 801 provides that the Act shall become effective 120 days after the Secretary is appointed, or on such earlier date as the President may prescribe and publish in the *Federal Register*. This will give the President time to select, nominate, and appoint the Secretary, and will allow the Secretary sufficient time to arrange and organize the new Department and prepare such rules, regulations, orders, etc., as may be necessary for a smooth transition.

Mr. DEAN. Hearings were held in 1972 on the DNR proposal. I attended those hearings. The reception was, on the whole, very favorable. Unfortunately, time was running out on the first Nixon term, and it was decided to wait until after the election to proceed on the departmental proposals. For complicated reasons, Nixon abandoned his departmental reorganization program early in his second term.

During this period, the National Academy of Public Administration, which I represent, spent a lot of time reviewing and discussing these proposals. We endorsed the Nixon plan and specifically the Department of Natural Resources. In later studies, we have affirmed our view that departments should be organized around major purposes, and we think a Department of Natural resources would address a broad major purpose of the Federal Government.

President Carter tried also, as has been mentioned in the hearings, in 1977 to move ahead. However, the people assigned were not very well-informed on how to set up a department; too much time was wasted; and they tried to use a reorganization plan, which was illegal. As a result, his term also ran out, but without prejudice to the merits of the idea of the Department of Natural Resources.

So, basically, what we have here is a long overdue need to group major programs that address the same central purpose under one Secretary in one department called the Department of Natural Resources. And by the way, that does not increase the size of the Federal Government; it does not add departments, because the Interior Department would disappear in the process.

One other thing that has been discussed today is the multiplicity of laws dealing with natural resources. The best way to get rid of multiplicity of laws or to rationalize them is to first create an organization in which disparate laws are under a single official. For 4 years, I was Assistant Secretary of Transportation during its early period, and I saw what we were able to do in the transportation area when functions were moved from nine different agencies of the government and placed under a single Secretary. The record of that is very complete.

So I do support both the consolidation of the land management functions and the eventual creation of a Department of Natural Resources. I might also add that I think the idea of a new Hoover Commission—and I served on the first Hoover Commission as assistant to the vice chairman—is a superb idea.

That is the end of my comments, Mr. Chairman.

Chairman STEVENS. Thank you very much.

Dr. Nelson.

[The prepared statement of Mr. Dean follows:]



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STATEMENT OF ALAN L. DEAN

SENIOR FELLOW OF THE

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

**BEFORE THE
COMMITTEE ON GOVERNMENT AFFAIRS
U.S. SENATE**

ON

**IMPROVING THE MANAGEMENT AND ORGANIZATION OF
FEDERAL NATURAL RESOURCES AND
ENVIRONMENTAL FUNCTIONS**

THURSDAY, JUNE 27, 1996

NAPA  an independent, nonpartisan organization chartered by Congress

Mr. Chairman and Members of the Committee:

My name is Alan L. Dean. I am a former chairman and currently a senior Fellow of the National Academy of Public Administration, a nonprofit organization chartered by Congress engaged in studies concerned with the improvement of the organization and management of agencies of the Executive Branch of the federal government. A brief description of the Academy is attached to my prepared statement. Although I will refer to positions taken by the Academy and its panels, I am basing my statement on the work I have done as the former Bureau of the Budget's senior expert on national resources organization and subsequently as the staff director of President Richard Nixon's Departmental Reorganization Program.

It is timely and appropriate for this committee to hold hearings on the organization and management of the federal government's vital and extensive natural resources functions and to consider where these programs can best be administered. I know of few opportunities to improve the organization of the executive branch which could produce such immediate benefits as a regrouping and restructuring of the government's land management agencies. Even the most casual examination of the present arrangements will reveal a situation guaranteed to frustrate effective, multi-purpose custody of the nearly 750,000,000 acres of non-Defense Department federal lands.

The bulk of federally owned land is administered by two agencies. The first is the Bureau of Land Management (BLM), a component of the Department of the Interior, which has

custody of 270,000,000 acres and responsibility for sub-surface management of an additional 300,000,000 acres. The second is the Agriculture Department's Forest Service with about 191,000,000 acres. Especially in the West, these two agencies administer inter-mingled lands which are managed for forest products, minerals, grazing and recreation. They now constitute separate bureaucracies reporting to the secretaries of different departments.

Two other bureaus (other than agencies of the Department of Defense) are entrusted with major holdings of federal land, both of which are components of the Department of the Interior. I refer to the National Park Service which administers 365 sites totaling 81 million acres and the U.S. Fish and Wildlife Service which has custody of more than 500 national wildlife refuges and 166 water fowl production areas with over 92 million acres.

There are historical explanations for the current division of land management responsibility between two departments. Early in the century, President Theodore Roosevelt withdrew from the public domain certain lands administered by the Department of the Interior containing significant forest reserves. This action was designed to preserve from sale or indiscriminate harvesting, forests which the President believed should be reserved for the future needs of the Nation. Because the Interior Department was not trusted at that time to act effectively as a conservation agency, the Forest Service was created by the Congress in 1905 as an arm of the Agriculture Department.

Since 1905, the original considerations which led to the placement of the Forest Service in a different department from that of the Bureau of Land Management have been overtaken by events which argue strongly for a fresh look at the merits of this separation. Among the factors which now justify reexamination are:

1. The mission and culture of the Department of the Interior has been radically altered since the early years of the century. It now has at least as much concern with the orderly development and conservation of the Nation's natural resources as the Department of Agriculture. This fact is best demonstrated by the fact that the Interior Department is presently entrusted with the administration of such environmentally sensitive entities as the National Park Service and the Fish and Wildlife Service -- both of which, as I have already noted, are major custodians of federal lands.
2. The Forest Service itself has undergone a revolutionary transformation from an entity concerned primarily with the growing and harvesting of trees on a sustained yield basis to an agency in which providing recreational facilities and opportunities has become the dominant mission. This trend is expected to continue into the future.
3. The nature of agriculture in the United States had changed so much that the Department of Agriculture is increasingly concerned with technical assistance, research, regulatory, and promotional activities which reflect the fact that most American farming is now conducted as business enterprises. The Forest Service is an orphan in a department

whose principal concerns have little relationship to what is now involved in the administration of the national forest system.

When one visits the public lands of the Western United States, one quickly learns that the forests do not stop with Forest Service boundaries, nor does grazing cease at the borders of BLM holdings. These lands are often so intermingled that it is frequently difficult to know whether one is standing on Forest Service or BLM land.

I submit that there are no discernable advantages to be derived from the present separation. A consolidation of the Forest Service and BLM into a united Land and Forest Management Service would reduce bureaucratic duplication, improve efficiency, foster consistency in the management of public lands, and enhance the Government's ability to serve the public.

I am also convinced that if we were to start from scratch on the basis of the facts and conditions of 1996, no one would advocate placing the Forest Service in the Department of Agriculture.

I would, therefore, urge that, at a minimum, the Congress recognize that the Department of the Interior is the federal government's primary land management and natural resources conservation agency by moving the Forest Service from the Department of Agriculture and authorizing (or providing for) its consolidation with the BLM.

Taking the action that I am recommending could be done as a single reorganization or it could be accomplished as a part of a more sweeping reform; namely the creation of the often-proposed, and long-overdue, Department of Natural Resources (DNR).

As long ago as 1949 the first Hoover Commission's Task Force on Natural Resources proposed the consolidation of federal water resources and land management functions in a new Department of Natural Resources, which would have superseded the Department of the Interior. Concern over the impact on the civil functions of the Corp of Engineers of the Department of the Army prevented the full commission from adopting its task force's recommendation, but the idea of a department concerned with natural resources attracted much support among persons concerned with government organization.

When President Nixon took office in 1969, he established an Advisory Council on Executive Organization, usually known as the Ash Council after its Chairman, Roy L. Ash of Litton Industries. In May of 1970 the council sent a recommendation to the President proposing a DNR which would include numerous land and water resources management functions then scattered throughout the Executive Branch.

President Nixon accepted the Ash Council recommendations and in his State of the Union Message of January 22, 1971, proposed that a Department of Natural Resources be established as a part of his comprehensive plan for reorganizing seven domestic executive departments.

During the next two months the Office of Management and Budget developed detailed plans for the organization of four new departments, including a DNR, and specifying the functions of each. These plans were published in a 1972 compilation titled *Papers Relating to the President's Departmental Reorganization Program*.¹ The Committee may wish to take note of pages 111 through 125 of this publication, which go into much more detail than I can in my statement. I have attached a chart which shows the structure and principal missions of the proposed DNR.

Hearings were held in 1972 on legislation to create the DNR and the response of the committees appeared favorable. Action on this and the three other departmental proposals was deferred with the approach of the 1972 presidential elections, and President Nixon abandoned the departmental reorganization effort early in his second term.

The National Academy of Public Administration carefully considered President Nixon's plans for departmental reform and concluded that they were on the whole soundly conceived. Accordingly, in 1972 its members formally endorsed the proposed new departments as reflecting major purposes of the federal government -- one of which was the custody and development of the Nation's natural resources. Organizing federal departments based on major purpose has been

¹ Executive Office of the President, *Papers Relating to the President's Departmental Reorganization Program, A Reference Compilation*, (U.S. Government Printing Office), 1992.

endorsed in additional Academy publications, including a report for this Committee in 1988 on the creation of a Department of Veterans Affairs.²

President Carter revived the concept of a DNR in 1977 as a high priority part of his Executive Branch reorganization program, but an inexperienced staff and a misguided effort to rely on the Reorganization Act procedure prevented action on a DNR during his term.

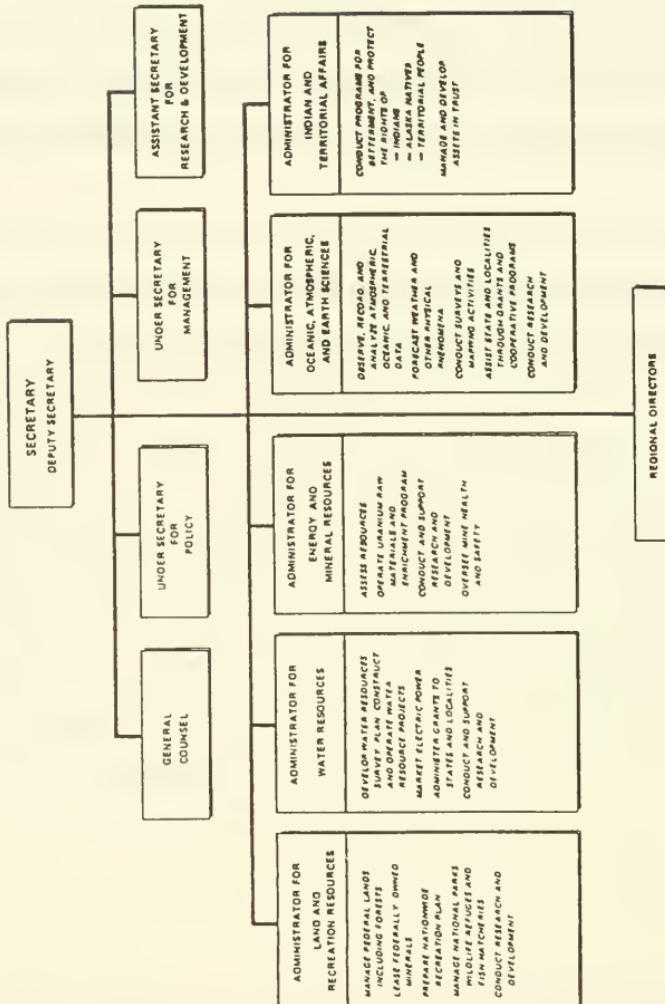
The First Hoover Commission of 1947-1949 and the Ash Council both endorsed the concept that executive departments should be organized around the major purposes of government such as the national defense, the conduct of foreign affairs, law enforcement, and transportation. The Department of the Interior has in recent years been evolving, albeit incompletely, into the department concerned with the management of the federal government's natural resource holdings. It would be a logical next step to complete this process by establishing a Department of Natural Resources along the lines proposed by President Nixon in 1971. Not only would such a reorganization entail the consolidation of the Forest Service and the BLM, but it would permit the creation of a Land and Recreation Resources Administration within the department which would oversee the National Park Service and the Fish and Wildlife Service in addition to the land and forest management functions.

² National Academy of Public Administration, *Evaluation of Proposals to Establish a Department of Veterans Affairs* (Washington, DC) 1988.

A DNR would be modeled on the organizational principles applied to the Department of Transportation in 1966. That is, the numerous individual functions would be grouped in a small number of administrations headed by administrators reporting directly to the Secretary. The Land and Recreation Resources Administration would be one of from four to six such administrations. Creation of a Department of Natural Resources would assure that the major non-Defense Department public lands would be overseen and coordinated by a single responsible executive.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions which the members of the Committee might wish me to address.

PROPOSED
DEPARTMENT OF NATURAL RESOURCES



Source: *Papers Relating to the President's Departmental Reorganization Program*, February 1972, p. 124.

ABOUT THE ACADEMY

The National Academy of Public Administration is an independent, nonpartisan, nonprofit organization that assists federal, state, and local governments in improving their performance. The unique source of the Academy's expertise is its membership — more than 400 current and former Cabinet officers, members of Congress, governors mayors, legislators, diplomats, jurists, business executives, public managers, and scholars who have been elected as Fellows.

Since its establishment in 1967, the Academy has assisted numerous federal agencies, congressional committees, state and local governments, and institutions overseas through problem solving, research and innovation, and implementing strategies for change. The Academy is also supported by businesses, foundations, and nonprofit organizations.

In 1984, the Academy was granted a congressional charter, the first granted to a research organization since the charter of the National Academy of Sciences in 1863.

The Academy also promotes discourse on emerging issues of governance. It focuses on performance and management issues, both as overarching processes and as practical considerations for agencies and programs engaged in the full range of domestic and international concerns.

TESTIMONY OF ROBERT H. NELSON, PROFESSOR OF ENVIRONMENTAL POLICY, SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF MARYLAND, AND SENIOR FELLOW, COMPETITIVE ENTERPRISE INSTITUTE, WASHINGTON, DC.

Mr. NELSON. Thank you, Mr. Chairman, and I have also submitted a written statement which I would like to submit for the record.

Chairman STEVENS. We shall print it also.

Mr. NELSON. My name is Robert Nelson, and I am a professor of environmental police at the School of Public Affairs at the University of Maryland. I am also a senior fellow at the Competitive Enterprise Institute here in Washington.

From 1975 to 1993, I was a career economist at the Department of the Interior, working in the Office of Policy Analysis, which is the principal policy office serving the office of the Secretary of the Interior.

I am very pleased to be here today to testify on the possible reorganization of the management responsibilities for the lands and natural resources that are today owned by the Federal Government.

The Federal Government owns almost 50 percent of the land in the Western United States. A critical fact about the existing system of Federal land and natural resource management is that it is very old. The Bureau of Reclamation was created in 1902; the Forest Service in 1905; the National Park Service in 1916, and Federal oil, gas and coal reserves were retained in permanent Federal ownership by the Mineral Leasing Act of 1920.

Yet great economic, intellectual, political and other changes have taken place over the intervening years. The Federal Government today is left as the heir to an outdated system of land and natural resource management.

The shift from the 19th century goal of disposal of the public lands to their retention under Federal management was justified in the progressive era in the name of the scientific management of the lands. It was believed that Federal administrators could marshal the most capable professionals to provide the needed expert coordination all across the nation.

However, at the end of the century, the progressive vision for scientific Federal management is fading. A number of developments have undermined the original progressive rationales for this system.

One, Federal management has turned out frequently to be wasteful and inefficient. It typically costs the taxpayers of the nation much more to manage the lands than the Federal Government obtains in revenue.

Two, Federal land management has done a poor job of protecting the environment. Activities such as below-cost timber sales and un-economic water projects are subsidized to the detriment of environmental quality. Misconceived fire suppression and other policies have caused major ecological problems in many current Western forests.

Three, comprehensive Federal land and resource planning has been a failure, yielding mostly gridlock and controversy.

And four, in the end, politics, not science, has dominated the process. This has partly reflected the fact that consensus among scientists has often been missing. Value considerations do in many cases become inextricably intermixed with the science.

Now, all of these failings are not unique to Federal lands and resources. In fact, all around the world, privatization, deregulation and other actions are being taken to dismantle the 20th century legacy of outdated theories of scientific management of society by government.

New Zealand, for example, has embarked since the mid-1980's on a significant program of privatization of nationally-owned forests and grazing lands. To date, however, such efforts have had little practical effect on Federal land and resource management here in the United States.

I know that major organizational changes would be disruptive and would face large political obstacles. It seems to me that it is valuable nevertheless to examine possible organizational and managerial changes from first principles, leaving politics aside for the moment.

The four basic federalism principles that I propose to apply are the following. One, existing Federal lands and natural resources that involve mainly production for private profitmaking purposes could be privatized. Two, government activities that mostly involve State and local interests should be administered by State and local governments. Three, the Federal Government should limit its role to land and natural resource management functions that involve significant national interests and concerns. And four, administrative organization of those responsibilities that do remain at the Federal level should place similar functions in the same agency.

The application of these four principles would result in fundamental change in the natural resource agencies. They would yield the divestiture of much of the existing Federal land and natural resources. The "crown jewel" national parks, some other parks, portions of the national wildlife refuge system, wilderness areas, and certain other Federal lands and resources do in fact involve significant national interests and would remain Federal. These areas, however, represent probably no more than 30 percent of the existing Federal lands and resources. The remaining lands and resources do not involve significant Federal interests and would either be devolved to States or transferred to private ownership.

For the Forest Service, to illustrate their application, these principles might yield the following changes: (1) a transfer of national forest wilderness areas and other areas with important scenic, geologic or other characteristics of significance to the Nation as a whole from the Forest Service to the National Park Service; (2) a transfer of national forest lands that are not of overall national significance and that are now mostly used for general dispersed recreation to the States in which the lands are located; (3) a privatization of national forest lands that are used primarily for timber production or for lands with second home, resort or other intensive recreational/development potential, or other lands mainly intended for uses that are profitmaking; and (4) if you did all of these things, the inevitable result to which you would be led would be the abolition of the current Forest Service.

For the Bureau of Land Management, which was created in 1946 from the old General Land office and the Grazing Service, a similar set of major changes might result: (1) because most BLM lands serve essentially State and local functions, a transfer of the majority of BLM lands to the States in which the lands are located; (2) a sale of the mineral rights held by BLM, especially where the surface is privately owned—for example, fully half of all federally-owned coal lies under privately-owned rangeland and other private surface, including most of the rich coal deposits in the Power River Basin in Wyoming, which are a major source of national coal production at present; (3) a transfer to the National Park Service of a limited number of BLM areas identified by the current wilderness review and other review processes as having genuine national recreational, historic, geologic or other significance; and (4) as in the case of the Forest Service, if we followed these principles, it would inevitably yield the conclusion of the abolition of the BLM.

Now, the application of the same traditional American federalism principles to the Bureau of Reclamation, the National Park Service, the Fish and Wildlife Service and Minerals Management Service would also yield a number of major changes which I have discussed in further detail in my written statement. A number of these agencies would also be abolished; others, however, would divest significant portions of their current responsibilities. The Federal role would then be confined to lands, parks, refuges, wildernesses, and other areas with genuine national significance.

The task of managing for this much-reduced Federal role might then best be accomplished in a new Federal Department of Natural Resources.

If the Congress were to decide to take up the task of rethinking the management of existing Federal lands and natural resources in light of these traditional federalism principles that I described above, a national commission might be created for this purpose.

Whatever the precise mechanism, a systematic review of the roles and functions of the current antiquated Federal system of land and resource management is, I believe, long overdue.

Thank you.

[The prepared statement of Mr. Nelson follows:]



COMPETITIVE ENTERPRISE INSTITUTE

**RESTORING FEDERALISM
IN LAND AND RESOURCE MANAGEMENT**

**TESTIMONY OF
ROBERT H. NELSON, Ph.D.
SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF MARYLAND**

**BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
U.S. SENATE**

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My name is Robert H. Nelson and I am a professor of environmental policy at the School of Public Affairs at the University of Maryland. I am also a senior fellow at the Competitive Enterprise Institute here in Washington. From 1975 to 1993, I was a career economist at the Department of the Interior, working in the Office of Policy Analysis, which is the principal policy office serving the Office of the Secretary of the Interior. I am the author of the 1995 book, *Public Lands and Private Rights; The Failure of Scientific Management*. This book provides further details on many of the subjects addressed below.

I am pleased to be able to testify here today on the possible reorganization of the management responsibilities for the lands and natural resources today owned by the federal government. The existing system of federal land and natural resource management was largely put in place in the progressive era during the early part of this century. Many of the key federal agencies -- the Forest Service, Bureau of Reclamation, National Park Service -- date from that time. Yet, great changes -- economic, intellectual, political and otherwise -- have taken place in American life in the intervening years. The social values that are reflected in the management of the lands have also changed significantly. The federal government today is left as the heir to an outdated system of land and natural resource management that was designed for the needs of a much different time and place.

The election results and other developments of recent years show a strong desire on the part of the American people to make major changes in the way the federal system as a whole is managed. The system of land and natural resource management is one place where large scale changes are possible and, indeed, much needed. The federal government is no longer the proper manager of almost one third of America's lands, if it ever was. Existing federal lands and resources that are more appropriately managed at the state and local levels should be devolved to those levels. Other existing federal lands and resources that involve mainly the production of commodities for private profit should be privatized. After divesting such functions that do not belong at the federal level, the management of the remaining lands and resources still in federal hands should be reorganized to put similar types of federal activities in the same place. It would be logical to locate the remaining federal functions in a newly created Department of Natural Resources.

I am well aware that changes of this large magnitude would be disruptive to many existing users of federal resources and would face much resistance and large political obstacles of many kinds. My purpose here, however, is to examine organizational and managerial changes that are desirable on their merits, leaving political considerations aside for the moment. I propose to approach the problem of the future management of existing federal lands and resources from first principles. I am sure that there will be many others who will fully represent the political side of the equation.

Federal Lands and Natural Resources

The federal government today owns a significant portion of the lands and natural resources of the United States. Federal lands cover 649 million acres, equal to 29 percent of the land area of the United States. Most of this federal land is in the West. In the 11

westernmost of the lower 48 states, the Bureau of Land Management and other agencies of the Department of the Interior manage 175 million acres, or 26 percent of the total land area of these states. The Forest Service in the Department of Agriculture manages an additional 19 percent of the land in these western states. Federal land thus represents almost half of the total land in the West. Particularly high percentages of federal land ownership are found in Nevada (83 percent), Alaska (67 percent), Utah (64 percent) and Idaho (62 percent).

The Federal lands include the National Park, National Wildlife Refuge and National Wilderness Systems. The National Park System today includes more than 365 units covering 77 million acres (69 percent of this acreage is in Alaska). The National Wildlife Refuge System has more than 480 units covering 91 million acres (84 percent of this acreage is in Alaska). The National Wilderness System, since the first units of this system were authorized by Congress in 1964, has expanded to cover about 100 million acres (about 60 percent in Alaska). These land systems serve as a vast national outdoor museum of the geological and biological past of the United States and contain many of the great scenic and historic assets of the nation. Total recreational visits to all the federal lands exceed 500 million per year.

Federal lands also contain approximately one third of the coal reserves of the United States. Production of federal coal -- by private companies that have purchased leases to produce this coal -- in 1994 equalled almost 30 percent of total U.S. coal production. Federal onshore lands and the federal lands of the outer continental shelf are estimated to contain in total as much as 50 percent of the remaining undiscovered oil and gas reserves of the United States. In 1992, federal OCS and onshore oil and gas leases supplied 18 percent of total U.S. oil production and 33 percent of total U.S. gas production. Federal lands are also believed to contain significant portions of the remaining undiscovered gold, copper, nickel and other "hardrock" mineral deposits of the United States.

The federal government constructed Hoover, Grand Coulee and many other dams and water facilities throughout the West. Water delivered from federal projects is used to meet irrigation and municipal water needs throughout the West. Federal lands contain about 50 percent of the softwood timber inventories of the United States. Until recent restrictions on federal harvesting due to efforts to protect the spotted owl and other environmental restrictions, timber harvests from federal lands represented about 20 percent of the total softwood timber harvest of the United States.

Origins of the Current Federal System

Through most of the nineteenth century, the goal of the federal government was to dispose to states and the private sector of the public lands and natural resources. Laws such as the Preemption Act of 1841 and the Homestead Act of 1862 were designed to achieve this purpose. Over the history of the United States the federal lands thus far disposed to state governments have equalled 328 million acres, 14 percent of the current United States land area. Homesteaders eventually would receive title to a total of 288 million acres, and railroads a total of 94 million acres in federal grants.

However, the 19th century disposal policy gradually came to an end around the turn of the century in the progressive era. As new progressive theories took hold throughout American government, the Bureau of Reclamation was created in 1902, the U.S. Forest Service in 1905, the National Park Service in 1916, and federal oil, gas and coal reserves were retained in permanent federal ownership by the Mineral Leasing Act of 1920. Disposal of the public lands outside Alaska essentially ended with the enactment of the Taylor Grazing Act of 1934.

The shift from the goal of a land system grounded in state and private ownership to one of federal ownership was justified in the progressive era in the name of the scientific management of the lands. The progressives in general argued that government programs and policies should be administered by "the experts." The economics, forestry, engineering, public administration and a host of other professions were created in the progressive era to provide the knowledge base to run American society "in the public interest." The progressives believed that the private market had proven a disorderly process that typically resulted in overexploitation and other large scale waste of natural resources. In an era that also saw the politics of the late 19th century as petty and often corrupt, progressives promised instead a future of rational and efficient management through the systematic application by the government of technical methods to every area of American society.

The progressives further believed that the federal government was the logical place to achieve scientific management. With comprehensive planning, federal administrators could provide the needed coordination among individuals and organizations located all across the nation. It would also be possible at the federal level to marshall the best scientific talent and resources. In the same period the private sector was being transformed from a world of small businesses to one of large national corporations. The U.S. Forest Service, Bureau of Land Management, Fish and Wildlife Service and other federal agencies would be created over the course of the 20th century to provide scientific management of government lands and natural resources.

However, at the end of the 20th century, the progressive vision for federal management is fading. In the 1970s the Congress sought to address the problems created by shifting public expectations for the management of federal land and resources. Comprehensive laws such as the Federal Land Policy and Management Act of 1976 and the National Forest Management Act of 1976 were enacted. More important public land and resource legislation was enacted in the 1970s than in any previous decade in history. Yet, in summarizing the conclusions of a 1992 public lands conference sponsored by the Congressional Research Service, the former director of the Bureau of Land Management in the Carter administration, Frank Gregg, reported that: "We have now amassed a considerable history in participating in and judging the revised system, and we agree that we are in another generation of dissatisfaction. We have characterized the present as gridlock, polarization, so extreme as to suggest extraordinary urgency in pondering what needs to be done."

Throughout the system of federal land and natural resource management the following developments have undermined the original progressive rationales for this system.

1. Federal management has turned out frequently to be wasteful and inefficient. Spending is not targeted to the highest social returns. Despite the possession of natural resources of great value, it typically costs the taxpayers of the nation much more to manage the lands than the federal government obtains in revenue.

2. Federal land management has done a poor job of protecting the environment. Activities such as below-cost timber sales and uneconomic water projects are subsidized to the detriment of environmental quality. Misconceived fire suppression and other policies have caused severe ecological problems in many current western forests.

3. Despite persistent efforts over 20 years to solve the problems, comprehensive federal land and resource planning has been a failure, yielding gridlock and controversy rather than the rational guide to management actions that had been expected.

4. In the end politics, not science, has dominated the process for making decisions for the federal land systems. This has partly reflected the tendency of scientists to disagree among themselves on many key technical matters affecting public policy. In addition, separating "fact" and "value," "science" and "religion," "politics" and "administration," and other dichotomies assumed by the progressives has turned out to be difficult if not impossible in practice.

These failings are not unique to federal lands and resources or to the United States. All around the world, privatization, deregulation and other actions are being taken to dismantle the legacy of theories of scientific management of society by government. New Zealand has embarked since the mid 1980s on a systematic reorganization of the natural resource functions of its national government, involving significant privatization of forests and grazing lands. To date, however, such developments have had little practical effect on federal land and resource management here in the United States.

Principles for a New Land and Resource System

The principles that should be applied to reorganize federal land and natural resource functions are not new or radical. Rather, they are ideas that, at least until the progressive era, were understood by almost all Americans to represent a proper basis for determining the role of government and for dividing responsibilities among levels of government. The progressives, to be sure, made a sharp departure in these regards. The result was a centralized system of federal land and natural resource management at odds in basic ways with traditional American federalism.

I would propose to return to the following common sense guiding federalism principles; they once served the nation well and can do so again.

1. Existing federal lands and natural resources that involve mainly production for private profit making purposes and that can reasonably be carried out in the private sector without large negative effects on other parties should be privatized.

2. Government activities that mostly involve state and local interests should be administered by state and local governments.

3. The federal government should limit its role to land and natural resource management activities and concerns that involve significant national interests and responsibilities.

4. Administrative organization of those responsibilities that remain at the federal level should place similar functions in the same agency.

The application of these four principles would result in the divestiture of much of the existing federal land and natural resources. The "crown jewel" national parks, some other parks, portions of the national wildlife refuge system, wilderness areas, and certain other federal lands and resources do in fact involve significant national interests and concerns and would remain federal. These areas, however, represent probably no more than 30 percent of the existing federal lands and resources. The remaining lands and resources do not involve significant federal interests and would either be devolved to states or transferred to private ownership.

Rethinking Existing Federal Land and Resource Agencies

A new system of land and natural resource management based on traditional federalism principles would also have major implications for existing federal agencies. Some of these agencies would no longer be needed and could be abolished. Others could be significantly reduced in the scope of their responsibilities. Although there is ample room for debate about the precise details, the existing federal agencies might be changed in the following ways.

U.S. Forest Service -- The Forest Service was created in 1905 to manage the national forests "from the standpoint of the greatest good of the greatest number in the long run." This was codified by Congress in the Multiple Use and Sustained Yield Act of 1960. However, the multiple use mandate proved so vague that it amounted to a grant of general discretion to do whatever the Forest Service -- or its political constituencies -- wanted. The Public Land Law Review Commission in 1970 recommended instead substituting a philosophy of "dominant use" land management. Areas would be identified and set aside for a primary (but not exclusive) use and then turned over to specialists in the requirements of managing for that use. In some cases this might mean privatization of the lands. In other cases, where significant federal interests are not involved, such decisions might best be left to state and local governments.

Historically, operating under multiple use mandates and lacking clear guidance, the management of the national forests has become a political football, yielding a current state of severe gridlock and polarization. Because user groups are not required to pay for the costs of services they receive, these groups are encouraged to press for wish list demands that do not reflect any tradeoff of benefits with costs. The Forest Service often lacks the basic financial and accounting data to accomplish such balancing on its own, even if it wished to do so.

Over the years the U.S. Forest Service has been widely regarded as the leading embodiment among the natural resource agencies of progressive principles. However, in 1995 the subcommittee on forests and public land management of the U.S. Senate Committee on Energy and Natural Resources conducted a systematic review through an extensive series of hearings on the status of the Forest Service and the National Forest System. The numerous witnesses who came before the subcommittee offered various diagnoses and proposed different remedies but found wide agreement that the current management system for the national forests is often approaching a dysfunctional state. It is simply not working in an acceptable fashion, requiring a revisiting of the basic premises of the existing system and basic changes in its mode of operation.

Based on the four core principles for reorganizing land and natural resource management noted above, the Forest Service might be broken up and divested along the following lines.

1. Transfer national forest wilderness areas and other areas with important scenic, geologic or other characteristics of significance to the nation as a whole from the Forest Service to the National Park Service. This might consist of about 50 million acres of current national forest lands -- about 25 percent of the total national forest system at present.

2. Transfer national forest lands that are not of overall national significance and that are now mostly used for general dispersed recreation to the states in which the lands are located. Federal funds might be provided on a transitional basis to help pay for management costs. Existing rights of current users would be protected. These lands would consist of perhaps 60 percent of the current national forest system.

3. Privatize national forest lands used primarily for timber production; lands with second home, resort and other intensive recreation development potential; and other lands mainly intended for uses that are profit making. These lands would consist of perhaps 15 percent of the current national forests.

4. Abolish the Forest Service.

Bureau of Land Management -- The Bureau of Land Management was created in 1946 from the old General Land Office and the Grazing Service. The General Land Office no longer had any significant function, once the era of public land disposal had passed with the enactment of the Taylor Grazing Act of 1934. The Grazing Service largely served the function of policing grazing arrangements on the public lands that had been worked out among private ranchers before its creation. In the years since, the BLM has failed to develop a clear vision of its mission in managing the lands. Indeed, only a limited portion of the BLM lands involve matters of national significance. In other parts of the United States the types of issues typically addressed by local BLM managers would be considered the responsibility of a local planning and zoning board. The placement of these essentially local functions at the federal level is a major anomaly in the light of traditional American federalism principles.

The BLM might be broken up and divested along the following lines.

1. Transfer most BLM lands to the states in which the lands are located. These lands serve essentially state and local functions. Existing private rights to the lands would be protected. Mineral rights would be transferred as well, although the Federal government might retain some overriding royalty share for oil and gas rights (to be paid by the new state owner to the Federal government). The Federal government might provide financial assistance and create incentives for the states to accept the lands by agreeing to contribute to the management costs for some transitional period.

2. Sell off the mineral rights held by BLM where the surface is privately owned. Fully half of all federally owned coal lies under privately owned rangeland and other private surface, including most of the coal deposits in the Powder River Basin in Wyoming. (Production of federal coal from existing federal leases in the Powder River Basin supplies about 15 percent of total U.S. coal production.)

3. Transfer to the National Park Service a limited number of BLM areas identified by the current wilderness review and other review processes as having genuine national recreational, historic, geologic or other significance. These lands should limited to those that have features that are of genuine significant interest and concern to people all across the United States.

4. Abolish the BLM.

Bureau of Reclamation -- The Bureau of Reclamation was created in 1902 for a purpose -- "a homestead act for the west" -- that no longer exists. The nation today does not suffer from shortages of food and in fact is paying many farmers in other areas large subsidies to take land out of production. The West today needs more water to meet the demands of its rapidly growing urban populations and in many cases is seeking to transfer water out of agricultural uses where the water is worth less. Many Bureau of Reclamation projects have significant impacts only within a particular district or state.

The Bureau of Reclamation might be broken up and divested along the following lines:

1. Transfer water transmission facilities, pumping facilities and other assets that are mainly used by particular irrigation districts to these districts. The activities of these districts do not involve matters of national concern. In order to create an inducement for the districts to accept future operation and maintenance responsibilities, there would be no additional cost to the districts for the facilities beyond the assumption of existing debt repayment obligations -- and, if necessary, some portion of this might be cancelled.

2. Transfer Bureau of Reclamation facilities that have wider use but still have an impact mainly within a single state to that state. The most important such facility is the Central Valley Project in California. (The State of California requested several years ago that the Interior

Department open negotiations on transfer of the Central Valley Project to the State.) The federal government might agree to pay some part of state operation and management costs for a transitional period.

3. Create a public corporation to manage Bureau of Reclamation facilities that significantly involve more than one state and that could thus not simply be turned over to a state. The corporation might be formed by a compact among the affected states (an example of such a corporation is the Port Authority of New York, which is a joint creation of New York and New Jersey). A public corporation, for instance, might be created to manage the Colorado River system.

4. Sell off Bureau of Reclamation power generation facilities that are not integral to the operation of water supply facilities. Existing rights of preferential customers would be protected for the duration of their current contracts.

5. Abolish the Bureau of Reclamation. Some of its personnel and operations might be kept in the federal system, perhaps transferred to the Corps of Engineers where they could be employed in continuing water management activities.

National Park Service -- The National Park Service was created in 1916, bringing together the management of a variety of parks that had already been established individually. The Park Service was created to manage parks such as Yellowstone, Yosemite, the Grand Canyon and other areas of major national interest. Over the years, however, the Park Service has added numerous "recreation areas," "historic sites," "urban parks," "national monuments" and so forth. Today, there are more than 365 units within the National Park System. Many, if not most, of these park units have much less national significance than the early parks. Their visitors often come largely from the same state in which the Park Service facilities are located. The term "park barrel" was coined to explain the political forces bringing about many of the newer facilities. Private nonprofit groups often do as good or a better job, at much less expense to the government (e.g., Mount Vernon or Luray Caverns).

The Park Service might divest a number of its existing units, keeping only those current facilities that are of truly national significance, and where there is a clear reason for a Federal management role.

1. Transfer National Parks in which visitation is 75 percent or more by residents of the same state to that state, where they might well be incorporated into the state park system. A few exceptions might be made where a park serves to protect an ecological more than a recreational purpose and the ecology being protected is of clear national significance (e.g., some of the Alaska parks). During a transitional period, the federal government might continue to provide funds for management purposes.

2. Transfer the urban parks, including Gateway, Golden Gate, Cuyahoga Valley, Santa Monica and Fire Island, to the state or to an appropriate local government.

3. Transfer many historic parks, battlefields, memorials, monuments, historic sites and other Park Service historic facilities either to local nonprofit groups or to state and local governments. Park Service historic facilities should be retained at the federal level only where there is a major historic significance and thus a clear national interest. In order to promote the assumption of management responsibilities by nonprofit groups or states, the Federal government might continue to provide some of the management costs or provide an endowment as a starting point.

4. Transfer national recreation areas, national seashores, national lakeshores, national rivers, national scenic trails, national parkways, and other Park Service facilities that meet largely state and local purposes to state and local governments or to nonprofit groups.

5. Improve the management of a new National Park Service that would continue to operate those selected areas that are of genuine nationwide concern.

Fish and Wildlife Service -- The Fish and Wildlife Service can be traced back to the Bureau of Fisheries, which was formed in 1871 and located in the Department of Commerce. It was merged with the Biological Survey, established in 1886 in the Department of Agriculture, to form the existing Fish and Wildlife Service in 1940. Somewhat like the BLM, the Fish and Wildlife Service serves a variety of aims and lacks a clear sense of purpose and mission. Wildlife refuges were originally conceived to be for wildlife purposes, but farming, grazing, hunting and other activities not allowed in National Parks were allowed in refuges. In recent years strong pressures have emerged to treat refuges as another version of the National Park System and to restrict the types of uses. Most refuges, however, lack the distinctive features that would make them a significant national recreational, geologic or other attraction.

The Fish and Wildlife Service might be much reduced in size and limited to those of its activities that involve a wildlife mission that requires Federal involvement.

1. Transfer wildlife refuges that involve lands of major national recreational, biological and ecological interest to the National Park Service, or to private conservation organizations such as the Nature Conservancy.

2. Transfer other wildlife refuges that are not vital to the protection of an endangered species or other wildlife of major national interest to state (or local) governments, where they might well be included within state park systems.

3. Transfer fish hatcheries to state governments, or perhaps sell them in some cases where the users of hatchery services are able to pay a market price. Federal funds to help pay management costs could be provided for a transitional period.

4. Continue Fish and Wildlife Service management of the national wildfowl programs that involve many states, the endangered species program, international wildlife protective programs, and perhaps a few refuges that serve wildlife objectives of major national concern.

Minerals Management Service -- The Minerals Management Service was created in 1982. Since then, it has found it increasingly difficult to exercise management control over the leasing of the oil and gas rights to the outer continental shelf (OCS). Although MMS was created with the intention of serving extensive leasing activities planned off the Atlantic coastline, off California, and off Alaska, leasing in these areas has dwindled to minimal or nonexistent levels. The only major leasing activities occurring at present are in the Gulf of Mexico (a few sales are also scheduled for Alaska). Legal obstacles, political pressures, and other trends increasingly have made the states the co-partners in leasing, creating a very time consuming and cumbersome process. The efficient long run utilization of these areas depends on giving the states a stronger direct interest in their proper management. As the responsibilities of the MMS have diminished, maintaining a separate Interior agency is no longer justified.

The MMS might be divided up and divested as follows:

1. Transfer remaining onshore minerals management responsibilities such as royalty collection to the owners of the minerals (e.g., states under the proposal made above and Indian tribes). They have the greatest interest in ensuring full royalty payments but also in not spending large and unproductive amounts of money attempting to collect the last few dollars of royalties that might be due.
2. Transfer the mineral development rights to OCS areas with marginal current development prospects to the states.
3. Retain federal leasing of those OCS areas with significant current development prospects, but share revenues from newly issued leases on a 50-50 basis with the states. Seek to contract out the actual leasing function to each state.
4. Sell off the federal royalty streams from existing federal leases on the OCS to the lease holders or to private collection organizations.
5. Abolish the MMS.

A Federal Department of Natural Resources

Following steps such as are identified above would rationalize the existing land and natural resource management functions of the federal government according to federalism principles. A number of existing agencies would be abolished and others would divest significant portions of their current responsibilities. In the process, some agencies such as the National Park Service might find themselves with enlarged responsibilities, as lands and functions now located elsewhere were transferred to them.

The federal role would be confined to lands, parks, refuges, and other areas with genuine national significance. This much reduced role, as compared with the current ownership of

almost 30 percent of the land and much of the natural resource base of the nation, might best be consolidated in a new federal Department of Natural Resources. If such a Department were created, it would also make sense to rethink the existing structure of federal agencies that remained. For example, instead of transferring wilderness areas to the National Park Service, a national wilderness administrative agency of its own might be created. There might be a separate agency for managing the "crown jewel" national parks that involve their own special policy and management concerns. Other responsibilities might be realigned among existing federal agencies or other brand new agencies created.

Conclusion

Reorganizing government is not an easy task. As with most federal agencies, many constituency groups at present obtain significant benefits from the current system of management of federal lands and resources. Federal funds support some user groups that would not be willing to contribute similar amounts, if they were required to pay for management through user charges. The employees of the existing land and resource management agencies also often have a strong personal interest in maintaining the status quo. The beneficiaries of the existing system are often well aware of their stake and well organized to defend it.

At the same time, the national taxpayers who pay for the management and other costs for federal lands and resources are diffuse and individually often unaware of their stake in the matter. Although cumulatively there might be large potential savings available, each taxpayer individually can expect to experience only a small individual gain -- through reductions in taxes or reduced burdens of debt imposed on future generations -- from improvements in the existing management regime. As a result of these political pressures, there have been few systematic reassessments of the merits of existing programs throughout the federal government.

With current budget pressures, however, and with greater interest in "reinventing government" and other efforts to reexamine traditional government roles, the United States may be entering a transitional period when old programs and assumptions will increasingly be called into question. If existing federal land and natural resource management activities were systematically reexamined to limit them to functions that are clearly both governmental and federal in character, the result would be to abolish altogether several of the existing federal land and resource agencies and to make major changes in most of the rest. The functions and management responsibilities that remained at the federal level might well be placed together in a newly created Department of Natural Resources.

If the Congress were to decide to take up the task of rethinking the management of existing federal lands and natural resources in light of traditional federalism principles, a national commission might be created for this purpose. Whatever the precise mechanism, a systematic review of the roles and functions of the current antiquated federal system of land and resource management is, I believe, long overdue.

Chairman STEVENS. Thank you very much.

I think both of you are really pointing in the same direction as this Committee. I do hope we can keep it on a bipartisan basis. Mr. Dean, when I was at the Interior Department, I drafted Eisenhower's Department of Natural Resources proposal, and we have had a series of them that have been presented. I think the Ash Council probably was the most unique, as a matter of fact.

The next chart is Mr. Panetta's proposal. Have you seen that? Mr. Panetta made a proposal this year, as a matter of fact—or, pardon me, in 1991—but it is being reviewed this year, and he has six agencies.

People have criticized our bill—Senator Glenn's bill and mine—that would create a commission and direct it to end up with no more than 10 agencies. This is the proposal of the administration in 1991—or, really, that was before he joined the administration. But I do think that we have got to find some agreement.

Mr. Dean, you made a primary statement when you said that you have got to do the reorganization first and then change the law. You come to the same conclusion, don't you, Dr. Nelson?

Mr. NELSON. Well, I think we need to actually proceed on a number of different fronts. I think that changes in these laws are necessary. I think reorganization is also essential. I think it should be both in terms of reviewing the current functions and eliminating overlap and duplication, but as I suggested, also eliminating those functions that are not Federal. I would suggest that that is another important part of the task.

Chairman STEVENS. You are both involved in substantial portions of academia that are reviewing this question. What do each of you think it would take to marshal the interest to bring about this change? I am proceeding on the basis that it is necessary because of the financial demand of the country to eliminate unnecessary expenses. What else do you think we could do?

Mr. DEAN. Well, back in the Nixon administration, which is getting to be quite a while ago, we actually succeeded in getting a consensus on every aspect of the reorganization that I have now discussed, including delicate compromises to the impact on the civil functions of the Corps of Engineers.

In the land management area, I had personal discussions with the chief forester, who was strongly supportive, as was the Secretary of Agriculture, of making one unified, effective bureaucracy out of the Bureau of Land Management and the Forest Service.

I am not addressing whether a lot of these lands ought to be divested. We in the Academy deal with what are the laws of the United States today. I am saying that as the laws of the United States are today, the need for a land management consolidation in particular is very urgent, nor is the reorganization very complicated. But to do it, you need both the support of the congressional committees involved and an administration which is convinced that this reform is to its advantage. If you get those two together, I think we could make real progress on the land management consolidation.

I am really inclined to feel that we need the commission before we are going to be able to fundamentally address the departmental structure. As the House found when it tried to take the Commerce

Department apart, abolishing or changing one department can cast a lot of waves across other parts of the Executive Branch.

Chairman STEVENS. Mr. Nelson.

Mr. NELSON. I think that whenever you make organizational or other kinds of changes like we have been talking about, it obviously has to negatively affect some of the groups that are involved with the agencies, and there has been a tendency when proposals get on the table to have them picked apart, and one group says, "I am going to be negatively affected, and I do not want to be the one that takes the hit, so I am going to fight for this," and then they all get into that thinking. And of course, the nature of the Congress is that it is somewhat fragmented, and it has various turf.

It seems to me that in addition to the things that were just mentioned in terms of building public support, that it might be important to think about new institutional mechanisms by which the Congress would look at these issues. The Arvey Base Closing Commission was obviously an innovative idea along those lines. But if it were to have to go through all the normal Committee procedures and everything else, it is very hard to imagine anything that really made deep and fundamental changes surviving the process.

On the other hand, if some procedure could be devised to put it before the Congress and basically make some principled arguments—in some ways, it almost needs to be an all-encompassing proposal in that sense, so nobody can say, "I am being especially picked on"—and then, if the Congress could be required to just basically vote it up or down or have some limited adjustment procedures—

Chairman STEVENS. That is what we have done. We have taken the Base Closure Commission concept, but we are dealing first with structure, then with allocation of function, and then with basic changes in the law to carry out the function. It is a three-step process.

I do think that we need to get a consensus for the first function, which is the basic Hoover Commission approach. That is what we are working on.

I do appreciate you gentlemen coming and thank you for your interest. We will be consulting with you along the way, I hope, as Senator Glenn and I go forward with our proposal.

Thank you very much.

Mr. DEAN. Thank you, Mr. Chairman.

Mr. NELSON. Thank you very much.

Chairman STEVENS. The Committee is adjourned.

[Whereupon, at 12:10 p.m., the Committee was adjourned.]



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